

The NATIONAL UNDERWRITER

NATIONWIDE INSURANCE COVERAGES

(Domestic Stock Companies)

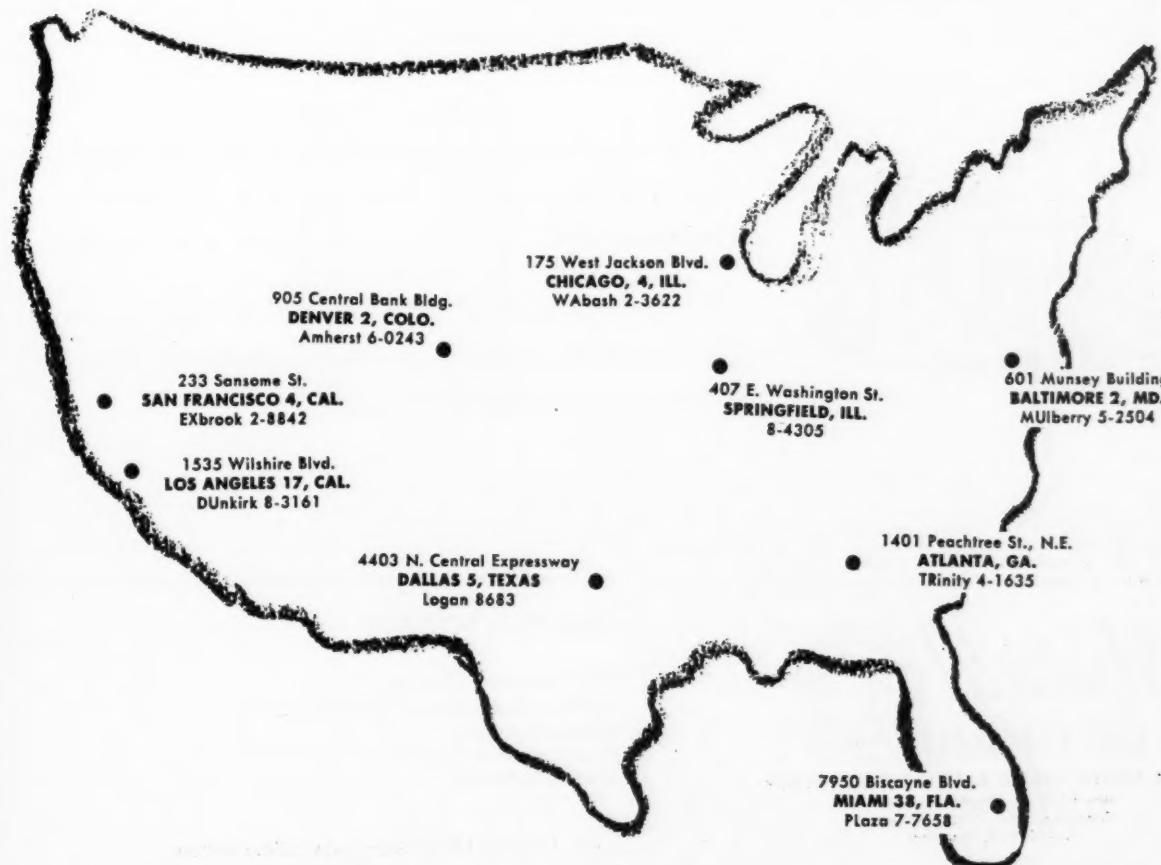
Trucks—Taxicabs—Busses

Financial Responsibility—General Liability

Auto Races—Carnivals

Workmens Compensation

Primary—Excess—Surplus Lines

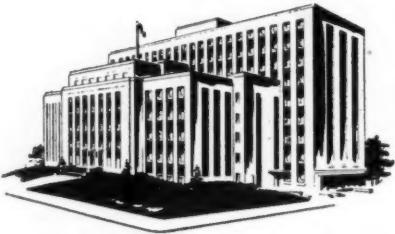


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MUTUAL of OMAHA is the Largest Company in the World Specializing in Health and Accident Insurance. UNITED of OMAHA is one of America's Foremost Life Insurance Companies, with more than a Billion and a Half Dollars Insurance in Force.

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MUTUAL BENEFIT HEALTH & ACCIDENT ASSOCIATION
Home Office: Omaha
Canadian Head Office: Toronto
V. J. SKUTT, President

United
OF OMAHA



UNITED BENEFIT LIFE INSURANCE COMPANY
Home Office: Omaha
Canadian Office: Toronto
N. MURRAY LONGWORTH, President

Mail This TODAY!

(NFCU-556)

Mr. Howard Dewey,
Vice President in Charge of Sales,
Mutual of Omaha,
Farnam at 33rd Street,
Omaha, Nebraska.

I am interested in complete information.

NAME _____

ADDRESS _____

TOWN & STATE _____

TELEPHONE NUMBER _____

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

60th Year, No. 21
May 24, 1956

J. J. Quinn Moves Up to Presidency of Oklahoma Agents

Speakers Criticize Federal Intervention, Urge Stronger State Insurance Regulation

TULSA—Speakers at the convention of Oklahoma Assn. of Insurance Agents lashed out sharply at expanding federal intervention in insurance regulation and encouraged strengthening of state regulation. Members responded by pledging their support through resolution to the adoption of a new state insurance code and a larger appropriation for the insurance department.

More than 568 agents and guests registered for the two-day program, which had as its theme "The Challenge of Change."

James J. Quinn of Bartlesville was advanced to the presidency and Ralph R. Carlin of Oklahoma City was named president-elect and executive committee chairman. Other new officers are Harlan S. Pinkerton of Tulsa, vice-president; Stanley D. Whitehurst of Oklahoma City, secretary-treasurer; and Charles Fassino of McAlester and Noble Smith of Tulsa, executive committee members. Carroll Swickey continues as executive secretary.

Homer W. Peay of Ada, retiring president, in his annual report, praised the work of the education and public relations committees of the association. "More than 200 persons attended the annual seminar at Oklahoma university," he said. "The public relations committee in cooperation with Oklahoma Insurance Information Service, has publicized the agent's story and made available an "ad-a-month" series for agents and local boards." He praised the legislative committee for helping to pass the resolution which directed recodification of the state insurance code, securing passage of a law regulating trade practices in the insurance industry, and helping to defeat compulsory auto and a bill which would have limited the expense loading factor or companies to 35%, thereby reducing commissions. The committee's program for the coming year, he said, would center on urging the passage of the proposed code and an increase in department appropriations and opposition to compulsory auto and measures seeking to reduce commissions. He said membership had been increased to 700 and a new local board had been formed at Claremore.

Maurice G. Herndon, Washington representative of National Assn. of Insurance Agents, decried federal encroachment into insurance and listed the six "fingers" which the government uses to reach into insurance as: regulation by FTC and other departments; buying insurance; underwriting in 14 lines of business; money lending; regulation of currency, and

(CONTINUED ON PAGE 30)

Ridgway Succeeds Junker as Chairman of Crum & Forster

William C. Ridgway Jr., president of Crum & Forster, has been elected chairman to succeed Harold Junker who has retired. Mr. Ridgway will continue as president of the group. Mr. Junker, who has been with the group 54 years, will continue as director and a member of the executive and finance committees. He was also chairman of United States Fire, North River and Westchester Fire, members of the group.

Alexander L. Ross, formerly president of U. S. Fire, North River and Westchester Fire, succeeds Mr. Junker



W. C. Ridgway Jr.



HAROLD JUNKER

as chairman of these companies. He will also continue as executive vice-president of Crum & Forster.

Thorin T. Grimson has been promoted from executive vice-president of the three companies to succeed Mr. Ross. He is a vice-president of Crum & Forster.

NYFIRO Broadens Replacement Cover

Replacement cost cover has been broadened by New York Fire Insurance Rating Organization to permit replacement on other premises for federal, state, county or municipal governments, non-profit educational institutions or hospitals, and religious organizations. This and other rule changes are effective May 21.

A selling price clause No. 2 is provided for manufacturers, to establish actual cash value of finished stock not sold at time of loss.

Extended coverage rates and rules now generally apply to specific wind and hail policies. The EC occupancy index makes public utility gas property subject to grade A rates. The listing for lumber yards is liberalized.

Though term credit for reporting forms 1 and 2 is increased, it is not changed for form A.

Mich., O., Pa. Storm Loss to Exceed \$12 Million

Hail losses in Muskegon, Mich., as a result of storms on May 13 will total \$2 1/2 to \$3 million according to latest reports from adjusters in the area. The loss was originally estimated at about half that amount.

National Board has assigned catastrophe number 75 to the Muskegon storm and number 74 to tornadoes, wind and hail storms which struck other parts of southern Michigan, northern Ohio and Duquesne, Pa., on May 12-13. The total insured loss in the three-state area is expected to exceed \$12 million.

Hail stones the size of baseballs in Muskegon resulted in an estimated \$2 million loss to insured dwellings and another \$1,750,000 loss to insured automobiles. Uninsured losses, chiefly to celery crops and greenhouses, totaled about \$500,000. The size of the hail stones, which damaged roofs severely and caused leaks in upper structures, is running some dwelling losses as high as \$5,000. Individual claims in industrial losses are running from \$1,000 to \$50,000, with more than 30 plants in the area involved.

The total number of losses in the area is about 12,000 averaging \$200. One of the largest manufacturing losses was that of Continental Motors which reported breakage of more than 3,500 window panes in addition to roof damage. The loss was estimated at \$40,000.

Auto Club of Michigan has estimated more than \$1,250,000 in hail losses with claims averaging \$225 per car.

Tornadoes in the Flint, Mich., area caused some 400 losses averaging \$5,000 and another 6,000 losses averaging \$100. In the Detroit and Dearborn areas, also struck by tornadoes, there are some 10 losses averaging \$10,000 (primarily in the suburban Detroit area) and an additional 2,000 losses averaging \$100.

More than 100 serious losses averaging \$10,000 have been reported in the Cleveland area. The White Sewing Machine Co. in suburban Lakewood suffered extensive roof damage and will probably be the largest single manufacturing loss in the area. An additional 20,000 losses averaging \$100 are expected.

General Adjustment Bureau so far has handled some 1,500 claims in the Duquesne area of Pennsylvania, hit by tornadoes and high winds. However, the bureau said many of the independent adjusters have not yet reported. Claims are averaging \$200 each, the bureau said, and some 5,000 claims are expected. Estimates by the bureau and National Board continue to place total losses at close to \$1 million.

Adjusters have opened storm offices at Muskegon, Flint, and Cleveland and have sent additional adjusters into the area.

Eye Insurance Problems of Atom Energy Plants

Insurers Make Suggestions on Government Program of Indemnification

By H. C. HALLAM

WASHINGTON—Rates for liability coverage of atomic reactors by private insurers should contain provision for accumulation by Nuclear Liability Insurance Association of a fund sufficient to absorb a catastrophic loss, Charles J. Haugh, secretary of Travelers, told the joint Congressional committee on atomic energy.



Charles J. Haugh

He said he was confident stock insurers would not object to legislation providing governmental indemnity above available amounts of insurance and would be quite willing to process claims for the government.

Percy Chubb II of Chubb & Son, representing American Insurance Assn., told the committee that U.S. assumption of liability is a question of public policy for the government, not the insurance business, to decide. But if the government provides indemnification, stock insurers are prepared to cooperate fully. He said the proposal of a \$500 million indemnification fund for liabilities above those assumed by private insurers is a sound and constructive approach and would meet the basic needs of the situation.

Mr. Haugh urged that government indemnity cover the liability of all parties in interest, reactor operators and equipment manufacturers, and also contractors, subcontractors, designers and installers. He suggested also that any such legislation include a statement of the amount of insurance above which any such governmental indemnity would be effective—or then provide that the licensees furnish evidence of financial responsibility in an amount to be specified in the legislation and to be substantially equal to the amount of insurance to be made available.

Because a claim for radiation injury or damage may be brought against the operator of the reactor and others involved in its construction, these other interests should be included as insured in the radiation liability policy of the operator of the reactor.

The premiums for liability insurance will have to be determined for each individual reactor installation, he stated. This will require consideration of much detailed information including, but not limited to, location, proximity to watersheds and areas of concentrated population, power level,

(CONTINUED ON PAGE 29)

PEPPY FREDDY, the fieldman, says:

FAST? YOU BET!

THE WESTERN SURETY
COMPANY BOASTS AND
PRODUCES ONE DAY
HANDLING OF
YOUR BONDS



WESTERN SURETY COMPANY

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Nationwide Mutual Extends Lincoln's Retirement Date

Directors of Nationwide Mutual group have adopted a resolution under which Murray D. Lincoln will continue as president of the companies after his normal retirement date.

Under the group's retirement policy, Mr. Lincoln would have been required to retire next April at the age of 65. However the directors have extended his retirement date for five years and he can now continue as president until April, 1962.

In executive session, the directors unanimously adopted the resolution which points out that Nationwide Mutual needs the continued leadership of Mr. Lincoln "in view of the magnitude of the problems relating to expansion." Nationwide Mutual currently is obtaining licenses in preparation for expansion beyond its current 13-state operating territory.

Mr. Lincoln is president of Nationwide Mutual, Nationwide Mutual Fire and Nationwide Life, and also is head of Nationwide Corp., an insurance investment company.

D.C. Rating Bureau Names Fleischhauer Board Chairman

Insurance Rating Bureau of District of Columbia elected Arthur T. Fleischhauer of Fireman's Fund chairman of the governing committee and Walter R. Ewald of Great American vice-chairman at the annual meeting.

Hartford Fire and National Capital were named to three-year terms on the governing committee. George F. Allebach was named chief engineer and deputy bureau manager under Kenneth R. Underwood.

McCarl Gives Totals of Reporting Forms

In his report at the annual meeting of Reporting Form Service Office, Manager T. D. McCarl presented the figures for 1954 and for the five years ending with 1954. These figures reflect the business of all companies, stock, mutual, cooperative and reciprocal, licensed to do business in New York. The figures are:

1954	Premiums Written	Losses Paid	Loss Ratio
	\$	\$	
Form No. 1	25,869,741	9,989,242	38.6
Form No. 2	87,361	77,896	89.2
Class Floater (Form No. 4)	612,144	252,784	41.3
Form No. 5	2,427,025	1,039,444	42.8
Total	28,996,241	11,359,366	39.2
Form A	39,162,627	17,797,551	45.2
Grand total	68,158,868	29,156,917	42.8
1950-1954 inclusive			
Form No. 1	111,001,057	36,692,361	33.1
Form No. 2 (1954 only)	87,361	77,896	89.2
Class Floater (Form No. 4) (1953 and 1954 only)	1,110,748	366,927	33.0
Form No. 5	15,721,735	5,038,463	32.0
Total	127,920,901	42,175,647	33.0
Form A	203,158,575	83,235,154	41.0
Grand total	331,079,476	125,410,801	37.9

Amer. Motorists Prize Winners

Twenty publications, written and edited by high school students, and four students have been named award winners in a high school publications contest sponsored by American Motorists.

South High school, Grand Rapids, Mich., and Warren Easton High school, New Orleans, won \$350 prizes for their publications. More than 1,000 entries were submitted from all over the country.

76th

Annual Statement

January 1, 1956

ASSETS

Cash and U. S. Government Bonds.....	\$ 6,378,118.19
Other Bonds	13,938,841.93
Stocks	16,041,394.01
Real Estate Owned.....	15,987,759.90
Mortgage Loans	19,720,167.13
Loans to Policyholders.....	16,117,643.14
Premiums in Course of Collection and Other Assets.....	13,907,507.00
Interest Due and Accrued.....	623,148.52
Total Admitted Assets.....	\$102,714,579.82

LIABILITIES

Policy Reserves, Life Insurance.....	\$ 38,168,850.50
Policy Reserves, Other Than Life Insurance.....	4,658,909.70
Reserve for Claims in Process or Unreported	11,767,003.32
Premiums Paid in Advance.....	11,626,940.97
All Other Liabilities.....	13,414,582.33
Reserve for Market Fluctuations	\$5,444,382.52
Reserve for Other Fluctuations	6,000,000.00
Paid Up Capital.....	3,500,000.00
Unassigned Surplus	8,133,910.48
Surplus to Policyholders.....	23,078,293.00
Total Liabilities	\$102,714,579.82

Premium Income

Life Insurance in Force.....

BANKERS LIFE & CASUALTY CO.

CHICAGO 30 ILLINOIS



John D. MacArthur, President

Sanford Succeeds Ellis as President of Texas Agents

**Compulsory, Competition
Among Major Topics at San
Antonio; 1,300 Attend**

SAN ANTONIO—Compulsory automobile insurance and competition from direct writers were among major topics discussed by speakers at the convention of Texas Assn. of Insurance Agents here. Registration for the 3-day meeting was close to 1,300.



Porter Ellis

Other officers are Stacey Lindsey of Houston, vice-president; Drex G. Foreman, elected to his 32nd consecutive term as executive secretary, and Wayne M. Brown of Beaumont, Gordon Friedrich of San Antonio and Edwin L. Stephens of Midland, all new directors.

Mr. Ellis, in his annual report, termed attacks on the agency system as a more serious problem of the industry than competition by direct writers. "Some of our company friends in Texas, during the past year, made available facilities for writing either automobile insurance or fire insurance on dwellings value at \$7,500 or more on a plan which in the opinion of your directors would sever the roots on which an agency is built. Under the plan, an agent would complete the application, submit it with a check to the company which would issue policies, permit the agent to deliver the policy and eliminate policy writing, billing and bad credits from the agency operations. The policies would be written at a substantial reduction in commission—more than 50% of an agent's gross commission if he adopted the plan for all of his dwelling business. The association's analysis of the plan," Mr. Ellis said, "does not show where there would be any reduction in the expense of operation of an agency." He said inquiries by the board showed that not one agent had been offered an agency contract under the plan.

Mr. Ellis questioned company motives in making such plans available and concluded that "a proper analysis of their plans would certainly show them conclusively that its adoption would be suicidal for an agent, and yet they were influenced to some degree to offer it as a competitive weapon. Let's go another step to determine how easy it would be for companies to change from an agency basis to direct salaried salesmen for personal lines of insurance if this plan were successful."

He reviewed the compulsory bills in Massachusetts and New York and urged new officers of the Texas association to "begin marshaling their forces to oppose adoption of such an act in the state."

Morris Brownlee, Texas life commis-

sioner, reviewed the contributions made by the department toward efficient and just administration of the insurance industry in Texas. The board believes in prompt service and decisions to agents and the public and effective follow through on projections, keeping in proper perspective the public and industry interest. He praised agents and companies for their recent strides from within the industry in strengthening the quality of service and public reception through institutional advertising; better selection, training and supervision of field personnel; CPCU and CLU programs, and through honorable ethical and legal conduct. "There is still a deficiency," he said, "and that is in the failure to sell the philosophy of insurance at the grass roots level. This philosophy, as expressed in the intent of the CPCU and the code of ethics of the agent's association, can best be sold through thought leaders in a community."

Kenneth Ross, NAIA president, centered his talk around two letters. The first was to an editor whom the writer thought made an unreasonable attack on the agency system. The writer replied to the attack by pointing out that the agent provides services to the buyer and to companies by acquainting the public with services available.

Mr. Ross said the service of a well-trained man, which is the stock-in-trade of an agent, is the answer to competition from non-stock companies. He said open competition is not in the public interest since in those periods when it did exist it resulted in confusion and was destructive in its influence.

The second letter spoke of occasional losses to direct writers but emphasized service and the quality product of the local agent. Mr. Ross used the letter as a springboard to call for an aggressive selling campaign on the part of local agents. He called for a realistic approach to industry problems and called nationwide rating unrealistic.

The second day's session opened with a showing of American's film "A Walk Down Main Street," which (CONTINUED ON PAGE 29)

Nicholas Gannam has been named pricing director of Allstate at the home office. He joined Allstate in 1949 as analyst in New York, transferred to the eastern zone office as analyst in 1950, and to the home office as claim statistician in 1952. Mr. Gannam is a CPCU and a member of Insurance Institute of America.

Highlights of the Week's News

G. H. Menefee evaluates relation of deviation to competitive picture Page 11
Illinois Bureau of Casualty Insurers elects C. H. Neyhart Page 22
Whitford, White and Schwab describe how business can improve merchandising Page 9
E. H. Carson sees NAUA need of simpler, lower cost product Page 8
FTC overrules its examiner; says it has jurisdiction Page 13
J. M. Anderson heads N.C. agents Page 13
Inland Empire examination report Page 13
Authorize 8% dividend for Rhode Island creditors Page 12
Expect decline of 200 in number of Texas insurers Page 12
IMUA, IMIB hold annual meetings Page 21
Urge stronger Oklahoma code Page 17
North America group offers fire, EC, time element on all-risk basis Page 17
Bituminous Casualty reports gains, elects four new officers Page 17
IASA meeting draws 1,800; R. B. Wilcox elected Page 32

Capitol Indemnity, Franklin General Smoke Peace Pipe

INDIANAPOLIS—At the insistence of the Indiana department, the presidents of Capitol Indemnity, Franklin General, and General Management & Investment Co. (a Franklin General subsidiary) sat down at a conference table and signed an agreement to terminate the series of suits and countersuits involving the firms. The litigation had stemmed largely from Franklin General's efforts to gain control of Capitol Indemnity. Since, under the terms of the settlement, Franklin General must dispose of its holdings in Capitol Indemnity, informed observers have commented that Capitol appears to have emerged the victor in the negotiations.

The roster of men involved in the suits had read like a partial "who's who" in Indiana insurance. Originally eight Capitol stockholders, most of whom are connected with Franklin General or GMIC had sued Capitol, claiming they were illegally unseated from the board after gaining control at the annual meeting. Those bringing suit were Frank S. Viehmann and Harry E. Wells, both former Indiana commissioners; Joseph B. Kyle, manager of Franklin General and president of GMIC; F. Shirley Wilcox, secretary-treasurer of Firemens & Mechanics, another Franklin General subsidiary; Prof. J. Edward Hedges of Indiana university, vice-president of Franklin General; William J. Donovan, Robert L. DeHoritz, and F. Joseph Viehmann. Frank S. Viehmann is secretary of Franklin General.

Their action was met by a counter-suit by Capitol Indemnity, which charged the Franklin General people with "manipulating a stock raid" and demanding \$750,000 in damages. R. Martin Worrell and Robert C. Anderson, both former Capitol Indemnity officers who had switched over to Franklin General, were named in the suits along with C. Warren Day, president of Franklin General.

Last week, Commissioner Davey called a meeting of Messrs. Day, Kyle, and Howard D. Moon, president of Capitol Indemnity, in his office and insisted that they compromise their differences. Frank E. McKinney, president of Fidelity Trust Co., an Indianapolis bank, acted as arbiter. Mr. McKinney was chairman of the Democratic national committee under President Truman.

Under terms of the agreement, Franklin General agrees to drop efforts to purchase Capitol Indemnity stock and to stop soliciting proxies. It must also dispose of its present holdings of Capitol Indemnity stock. All litigation is dropped on both sides, and Howard Moon's board remains in control of Capitol.

Franklin General had acquired 123,574 shares of Capitol Indemnity stock which will be offered for public sale. At the same time 123,574 more shares of Capitol Indemnity stock which had been authorized but not issued will also be sold. Purchasers must buy a matching amount of the new stock for every share they buy from Franklin General. The price will be \$6.50 for the founders stock (with special voting privileges) and \$5.00 for other shares. The department says this arrangement will strengthen both companies.

Casualty Agents, Brokers Continue with Auto Study

National Assn. of Casualty & Surety Agents believes its participation in the automobile insurance marketing survey of National Bureau of Casualty Underwriters should be continued.

The statement, which followed withdrawal from the study by National Assn. of Insurance Agents, was issued by J. Edward Cochran of Hagerstown, Md., president of the casualty group, and F. Albert Roloson of Baltimore and Thomas W. Earls of Cincinnati, both past presidents and members of the committee on the marketing survey.

The research committee of National Bureau is striving to procure valuable, impartial factual data relative to the rather complicated problems involved in the underwriting of automobile insurance and market availability Mr. Cochran said. The casualty group has been assured by William Leslie, general manager of the bureau, and other members of his committee that when the survey has been completed all interested parties will have an opportunity to review the results with the research committee.

"The cooperative atmosphere, in which our conference on May 7 was conducted, satisfies us that the partnership between producers and the bureau companies gave reasonable consideration to our respective interests," Mr. Cochran stated. "It is our hope that continuance of the survey will be authorized by the executive committee of National Bureau and that other producer organizations will continue to cooperate in procuring information which will guide all of us in our efforts adequately to serve the public."

Directors of National Assn. of Insurance Brokers at the annual meeting in Boston voted to continue participation in the bureau's market survey.

U. S. Fire Losses Up 7.6% in April

National Board has estimated fire losses in U. S. during April at \$84,624,000 an increase of 7.6% over the \$78,632,000 losses in April, 1955.

Losses for the first four months of this year totaled \$354,952,000 compared with \$327,140,000, a 8.5% increase. Total losses in 1955 amounted to \$885,218,000 compared to \$870,984,000 for 1954. The four month figures are:

Month	1956	1955	1954
January	\$96,972,000	\$75,265,000	\$86,493,000
February	84,041,000	85,046,000	75,928,000
March	89,315,000	88,197,000	84,821,000
April	84,624,000	78,632,000	77,933,000
TOTAL	\$354,952,000	\$327,140,000	\$328,175,000

Suburban Casualty, Ill. Now Writing Full ML

Suburban Casualty of Wheaton, Ill., has amended its charter and is now a full multiple line company. Suburban was founded in 1925 by Edwin F. Deicke, who has been president since organization. The company is licensed in Illinois, Indiana, Iowa, Michigan and Ohio.

Chubb & Son has moved its Atlanta, Ga., office to the Fulton National Bank building.



Edwin F. Deicke

REPORT ON STATE FARM / Expansion Program



1/STATE DIRECTOR—Mel Chapin, Albany 2/ASST. STATE DIRECTOR—Howard Kolbus, Williamsville 3/AGENCY SUPERVISORS—Edward Kibbie, Hempstead, 4/Maurice Pomfrey, Syracuse, 5/Lewis Simmons, Albany • DISTRICT MANAGERS—6/Russell Allenza, Jamestown 7/Keith Bemis, Warrensburg 8/Frank Bonebrake, Hempstead 9/Robert Brittain, Buffalo 10/Daniel Callan, New Hartford 11/James Craig, Gloversville 12/Richard Delaney, Farmingdale 13/Michael Hannan, Garden City 14/Arthur Harding, Kingston 15/Walter Holmes, Elmira 16/Kenneth Kavanagh, Wantagh 17/Joseph Kral, Buffalo 18/Donald G. Lawler, Rye 19/Leonard Martorelli, Gloversville 20/James Meehan, Wantagh 21/Donald Murys, Niagara 22/Stuart Pettengill, Nassau 23/Marlin Prentice, Batavia 24/Daniel Preppall, Albany 25/Bernard Rohr, Binghamton 26/Riley Schwab, Rochester 27/Russell Stark, Levittown 28/John Venuti, Auburn 29/Charles White, Syracuse 30/Bruce Witherspoon, Albany 31/Albert Wolber, Utica 32/Howard Wymar, Wappingers Falls

EASTWARD HO!

Now add New York to the list of forty-one other states where State Farm Mutual's famous "careful driver" insurance is sold. State Farm's expansion program is stepping eastward . . . in what is sure to be one of the greatest strides of this company's dynamic growth.

The men you see here have been appointed to supervise the New York operation. Their first job: building a top-notch agency force.

Each new agent working with these managers will be thoroughly trained; then he will set up as an independent businessman in his community under a contract with State Farm. He will enjoy unlimited opportunity for satisfaction . . . earnings . . . advancement.

Just the kind of opportunity you'd expect with the industry leader—the company that insures more automobiles than any other company in the world.

This is another in a series of advertisements to acquaint you with State Farm Mutual Automobile Insurance Company, Home Office, Bloomington, Illinois. If you want to know more about any aspect of State Farm operations, simply write: "Director of Public Relations."



American Appraisal Celebrates 60th Year

American Appraisal Co., which has 18 offices from coast to coast, is observing its 60th anniversary. Beginning in 1896, it now employs more than 600 persons including specialists in various types of valuation work.

Although appraisals for insurance placement, rating, and proof of loss purposes have always comprised a substantial part of its activities, its reports have been and are used widely for financing, accounting, merger, sale,

purchase, condemnation, rate-making, and income and estate tax purposes. It has appraised industrial, commercial, institutional, and public utility properties scattered throughout North, Central, and South America, the Pacific and Caribbean areas, and Europe.

Its research department maintains a complete library of catalogs and price lists covering all types of machinery and equipment, building materials and labor rates in various cities.

American's historical cost records have proved invaluable where it has been necessary to establish property

values of an earlier date and to support the values shown in appraisal reports of by-gone years.

Its detailed property appraisals in the adjustment of losses resulting from fire or other hazards covered by insurance have provided the basis for prompt and equitable adjustments.

Bergland Joins American

Charles L. Bergland Jr. has joined the adjusting staff of American in the Rockford, Ill., service office. Mr. Bergland has been with Western Adjustment for four years.

Southern Agents Plan School at Miss. U.

The annual Southern Insurance Institute, sponsored by Southern Agents Conference, will be held July 9-13 at University of Mississippi with nine separate courses and a full program of entertainment.

Following registration on the morning of the first day, John F. Lee, manager of Tennessee Inspection Bureau at Nashville, will give four lectures on the current dwelling picture. John H. Fox, professor of law at the university will speak at the evening banquet. Miss Christine Drake, director of program and planning and library services at the university extension, will talk on how to conduct a meeting.

The July 10 session will feature lectures on workmen's compensation and general liability by H. R. Preston, vice-president of U.S.F.&G., and automobile cover by W. W. Ellis, field supervisor of Aetna Casualty.

Albert H. Wohlers, Chicago local agent, will talk on A&S developments in the morning session of July 11 and John Stott, Norwich, N. Y., local agent, will speak on office management and records in the afternoon session. A barbecue will be held at Lake Sardis in the evening.

The July 12 classes will include lectures on property insurance by Dr. Clyde M. Kahler, chairman of the department of insurance of Pennsylvania university, and current tax code regulations by Charles W. Tye, special tax counsel of National Assn. of Insurance Agents. Miss Drake will discuss speech writing.

Speakers at the closing sessions will be William E. Booth, secretary of Cherokee, on advertising, and A. H. Criddle, vice-president of Ostheimer-Walsh agency of Philadelphia, on account selling. I. A. Rosenbaum of Meridian, Miss., chairman of the institute committee of Mississippi Assn. of Insurance Agents, will present institute certificates at closing ceremonies.

Aetna Casualty Gets Five Large Bonds

A number of large construction bonds have been written by Aetna Casualty. Two bonds, one for \$10,565,300 and another for \$8,172,500 were executed for Dravo Corp. of Pittsburgh, covering sewer construction projects for the Allegheny county sanitary authority. A bond for \$8,622,919 for the construction of the Hildebrand lock and dam on the Monongahela river in West Virginia for the U.S. army engineers was issued for J. A. Jones Construction Co. of Charlotte, N.C., and Charles A. Tompkins Co. of Washington, D.C.

Bonds of \$5,618,750 and \$1,476,000 have been executed for Western Contracting Corp. of Sioux City, Ia., for construction work on Oake dam near Pierre, S.D., for the army engineers.

Williams, Southland President, Heads Dallas Insurance Club

Dan C. Williams, president of Southland Life, was elected president of Dallas Insurance Club at its annual meeting, succeeding C. M. Patrick, local agent. Vice-presidents are George W. Jordan, assistant general manager, southwestern department, General Adjustment Bureau, and August R. Buel, vice-president of Gulf of Dallas. Arthur E. W. Barrett, local agent, was elected secretary, and P. H. Huffstetler, Great Southern Life general agent, treasurer.

Insurance Women of Wichita Falls (Tex.) elected the following officers: Miss Carrie Bachman, president; Mrs. Wivra Lee Williams, vice-president; Miss Ann Bolin, secretary, and Mrs. Carolyn Lang, treasurer.

This America Fore Advertisement is currently appearing in the following national publications:

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Marine Division

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STANDARD FIRE INSURANCE COMPANY

Affiliated with *Ætna Life Insurance Company*

Hartford, Connecticut

BRANCH CHANGES

Carson Sees NAUA Need of Simpler, Lower Cost Product

NEW YORK—Premiums processed by National Automobile Underwriters Assn. for its members and subscribers, which totaled \$1,150,000,000 in 1955, have remained somewhat

static for four years, though the automobile population has increased rapidly in that time, Ellis H. Carson, president of National Surety and vice-president of Fireman's Fund group, said in his report as president of NAUA at its annual meeting here.

Rate reductions accounted for part of this situation but part of it was due to competition, he added. He suggested finding out what the public attitude is toward automobile insurance, and said NAUA companies cannot sell quality alone to a select few, the price must also be right and the product sold to

all. He predicted 60 million passenger cars by 1960 and 11 million trucks and buses, compared with the present 52 million and 10 million.

Mr. Carson, A. C. Seymour, deputy U. S. manager of Royal-Liverpool, vice-president, and Tudor Jones, vice-president of Aetna Fire, treasurer, were reelected. New directors at large are Charles J. Haugh, vice-president of Travelers; H. W. Miller, U. S. manager of Commercial Union; Ralph Newman, vice-president of National Union, and Mortimer E. Sprague, vice-president of Home. New regional directors are, east, G. L. Kerr, vice-president of America-Fore; Pacific Coast, S. T. Shotwell, vice-president of North British; south, Manley Stockton, assistant southern manager of Hartford Fire, and west, Frank L. Ludington, western manager of Atlas.

Howard S. Omsberg continues as secretary and manager.

Mr. Carson in his talk announced that Paul Fry, branch secretary at Chicago is retiring June 30 at his request, to be succeeded by Fred H. Sabin, who has been assistant branch secretary 1½ years.

Mr. Fry is the oldest employee of NAUA in years of service. He has been with the organization 44 years.

Howard P. McGoogan, who has been with the national office of NAUA since 1948 is transferring to Atlanta as assistant branch secretary. With this move, Julian Clark and Robert Downing, present assistant branch secretaries at Atlanta, will devote their full time to national theft bureau activities.

J. M. Japenga, assistant branch secretary at Chicago for some years, will continue in that capacity.

Mr. Sabin joined NAUA after serving from 1953 as vice-president of Great Northern. Previously he was with the western department of American, as field man and in various executive capacities including assistant western manager.

NAUA reduced rates 8.4% in five years, Mr. Carson said, and in 1954 changed the weighting given the three latest base years from 20-30-50 to 10-20-70. In addition, loss ratios were projected for several months ahead and rates reduced accordingly. The reductions were well received by producers and enabled NAUA companies to keep pace with or lead in rate reductions to accord with experience. The projections have proved remarkably accurate, he said.

However, the loss ratio has reversed its decline and definitely is rising, he said. It stood at 48 at 1954 year end, 47.6 on March 31, 1955, at 48.7 last June 30 and 49.9 last Sept. 30.

In research, he said, last year NAUA appointed an actuarial committee to propose revisions on the statistical plan, develop fleet formulas and other rating plans and study continuously NAUA's rate making formula. A rate research department has been authorized but not yet manned. A special committee is studying the effect of wind and flood catastrophe losses, especially on individual state experience.

"We must face quite decisively, and indeed imminently, the urgent necessity for simplification in our procedures if we are to be able to make use of electronic data processing to fullest advantage and thus reap all the possibilities of resultant savings in expense," he declared. Rates and codes, among other things, must be developed with logical mathematical relationships. It would be highly desirable

to achieve substantial uniformity in establishment of territorial codes applicable to all automobile insurance.

An already close working arrangement with National Bureau of Casualty Underwriters is becoming increasingly intimate, he said.

Continental Casualty Awards Grants for Student Health Research

Two annual grants of \$500 each for promising research in student medicine have been set up by Continental Casualty. Continental's special risks division created the grants in cooperation with the American College Health Assn. The purpose of the grants is to encourage investigation which will promote the physical and mental health of college students and benefit student medical practices. The grants may be used for clinical or experimental research. One will go to research projects in schools of less than 2,000 enrollment; the other to schools with more than 2,000.

This is Continental's second joint venture with the ACHA. In 1953 Continental provided a grant for a survey of health services in 1,545 colleges and for the publication of a report of the survey.

Berry, White Oppose FHA Self Insurance

WASHINGTON—J. Raymond Berry, general counsel of National Board, and Morton V. V. White of Allentown, Pa., executive committeeman of National Assn. of Insurance Agents, appeared before the House banking committee to oppose a provision in the housing bill which would give FHA authority to self insure properties it repossesses.

Premiums for 19 years amount to more than \$1.6 million and losses paid total \$161,000, Mr. Berry said, but a single loss on a 14 story structure would have been more than \$2.7 million. Proponents claim FHA will save insurance expenses, but Mr. Berry said that if FHA self insures, its management expenses will almost certainly go up. Currently, FHA managers bid low for management of repossessed property in order to get insurance commissions, he observed, but if FHA is self insured, management costs can be expected to rise.

Mr. Berry remarked that the government is a self insurer on the properties it owns and uses for government purposes, but properties acquired by FHA are not government properties for government uses.

Mr. White said agents oppose government entry into any business being successfully conducted in the public interest. FHA cannot perform the services necessary to rounded protection. NAIA hopes FHA will never have to call upon its reserves to any great extent to bolster property values and to save public investments. He said NAIA doesn't want to see FHA pour reserves down "the bottomless pit of uninsured catastrophe losses caused by unpredictable elements."

N. Y. Mariners Induct 300th Member of Club

At the May meeting of New York Mariners Club Francis J. Clark of Home was initiated as the 300th member. He is a past skipper of Boston Mariners Club. Jack Lavelle, publicity and public relations man of the New York Giants, was guest speaker.

WISCONSIN DEPARTMENT OF INSURANCE

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CHIEF OF EXAMINING DIVISION.
This Division supervises 770 Wisconsin licensed insurance companies. Chief will be responsible for direction of division.

CHIEF OF RATE DIVISION. The Rate Division investigates policy holders' complaints and supervises all insurance rates and policy forms used in Wisconsin. Chief will be responsible for direction of division.

BOTH positions have a starting salary of \$7,632 per year.



Applications must be filed on or before June 4, 1956.

For further information write: Commissioner Paul J. Rogan, State Insurance Department, Room 113 South State Capitol, Madison 2, Wisconsin.

Whitford, White and Schwab Describe How Business Can Improve Merchandising

Three speakers at the convention of New York State Assn. of Insurance Agents in Syracuse dealt seriously with the problems of the local agent. George V. Whitford, vice-president of Fire Association, offered several thought provoking suggestions for eliminating duplicate effort in the agency and company field and for making the efforts of agents more effective. Morton V. V. White of Allentown, Pa., NAIA executive committee man, suggested that agents have not changed the locations of their offices or modified their merchandising procedure for many years, though in that time the buying habits of people have changed radically. Arthur L. Schwab of Staten Island, in his presidential report, offered several suggestions for improving the competitive position of the agent.

To organize better the company-agent forces for maximum striking power in today's competitive market, Mr. Whitford suggested analysis, and changes where necessary, of record keeping from company to agent to policyholders; the streamlining and coordinating of service functions from rate making to trade associations, and making more effective use of the agency selling organization.

Instead of looking at the insurance transaction as an integrated service from company to salesman to buyer, the agency system has separated each step into its own segment with its own record keeping procedures. As a result, the business is wasting hundreds of thousands of man hours and hundreds of thousands of dollars. This inefficiency is continued on the theory that any accounting plan bypassing the producer threatens his independent relationship with the buyer. Yet, he noted, increasing numbers of independent agents throughout the country support plans of premium financing which completely remove the agent from accounting contact with his customer. He wondered if this was dangerous for the agent or if it were not a simple, silent recognition of the advantages of installment buying and of economies that come from high volume collection methods.

He said he was not recommending that insurers take over all the accounting functions, or that agents finance all of their customers' business but he was urging a consideration of the whole problem. Could local boards, he wondered, provide a common policy writing pool for its members—thus transferring the uneven flow of work of many individuals to central facilities for production line techniques? Could new electronic machines used in common provide a faster, more efficient method of reporting business to companies and preparing bills for customers? There has been little consideration by both agent and company of their accounting problems as related to each other, he said.

The business has developed an organizational structure that is overwhelming, he said. Today there are at least 145 national fire and marine organizations for both agent and company purposes. Why shouldn't people have these devices for shaking hands periodically and going through parliamentary procedure? Because many organization activities sap energies and divert agents and companies from their real problems.

There seems to be a tendency for organizations to evade real concerns

and spend most of their time on little problems. Mr. Whitford doesn't believe that the business can afford the luxury of the many duplicate activities performed by different parts of the many organizations while competitors move around free of many such superfluous activities. Perhaps organization functions should be periodically evaluated.

Has the function disappeared for which the organization was originally created? Could the work of the organization be logically and efficiently consolidated with another group to save expense and eliminate the problems of overlapping of function?

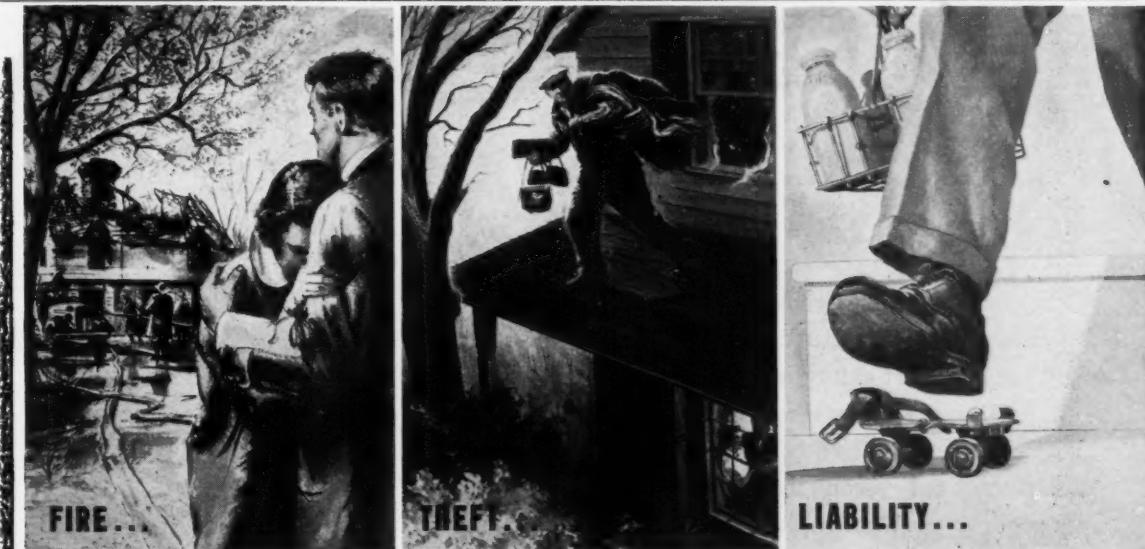
There are 44 fire, marine and casualty rating and advisory organizations licensed in New York, he said. Many companies have active relationships with 30 or 35 of these groups.

The agency system on paper is the most effective selling force in the en-

tire field of insurance distribution, he declared. Yet there is a real sense of dissatisfaction over progress. A recent study by Western Underwriters Assn. disclosed that in fire, allied lines and automobile physical damage in 18 mid-west states the rate of growth of direct writing stock and mutual companies has exceeded that of agency stock companies in every year since 1944.

Those dependent on the agency system continue to compete for a smaller and smaller share of the total business

(CONTINUED ON PAGE 31)



before you renew a single policy, find out about Hartford's 1-Policy "Package" Plan

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One way is to buy three or more separate insurance policies.

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New York Underwriters Insurance Company... New York 38, New York
Northwestern Fire & Marine Insurance Company
Twin City Fire Insurance Company... Minneapolis 2, Minnesota

City

American to Open New S. E. Division

American will open a new southeastern department at 795 Peachtree street, Atlanta, June 18 with Macon R. Crocker manager.

He takes the post in place of C. R. Macgill, who asked to be relieved of his duties for reasons of health. Vernon M. Clifton will be assistant manager.

Mr. Crocker has been field supervisor in charge of Virginia, West Virginia, North Carolina and South Caro-

lina. He joined American in 1931, advanced to chief examiner in the Carolina-Virginia department of Dixie Fire before being assigned to the home office in 1938. He became a field man in 1940 in Tennessee and later in South Carolina. After military service, he returned to the Tennessee field in 1946. In 1952 he became superintendent of the fire underwriting department at the home office. In 1954 he was elected assistant secretary, a position he relinquishes to become southeastern department manager.

Mr. Clifton, a member of the Geor-

gia bar, joined American in 1951. He was elected an assistant secretary of the company in 1952 and resigned this post to become assistant manager of the southeastern department.

Malek to New Chicago Post

Edward J. Malek has been appointed manager of the casualty division of American Insurance Agency of Chicago. He has been in the business for 30 years, specializing in casualty, and starting with Haskel, Miller, Grossman & Co. agency. He was the vice-president of that agency until he resigned recently.

Munich Re Reenters U.S. in Multiple Lines

Munich Re has reentered the U.S. and established headquarters at 70 Pine street, New York City. It is licensed for multiple line business.

Munich Management Corp. will serve as U.S. managers of Munich Re. Thomas O'Boyle of Shearman & Sterling & Wright has been elected chairman of the management corporation and Lothar Sudekum, U.S. manager of Union Re of Switzerland has been named president.

Munich Re had a branch office in the U.S. before World War I and held an important participation in First Re of Hartford, and until World War II a large interest in the Pilot Re of New York.

Directors of Munich Management Corp. are Mr. O'Boyle, Dr. Alois Alzheimer, general manager of Munich Re, Lt. Gen. Withers A. Burress, Berkley Gaynor, vice-president of J. P. Morgan & Co., C. F. Huetz, vice-president of Munich, James Nicely, vice-president of First National City bank, and Mr. Sudekum.

J. P. Morgan & Co. of New York are United States trustees. The trustee deposit is \$3 million.

Indiana Commissioner Talks to Illinois Students

W. J. Davey, Indiana commissioner, told Illini Insurance Society at the University of Illinois that the individual states can help ward off federal regulation by greater cooperation with the recommendations of National Assn. of Insurance Commissioners. He said the federal government stays out of insurance regulation in the various states now in accordance with public law 15, but warned that that law is a "gentlemen's agreement" which can be changed any time by Congress.

Mr. Davey made a number of suggestions for helping states in improving their supervision over the insurance industry. He said the states should provide an adequate budget for the administrator to run his department and employ a good assistant. He called for closer insurance liaison with the legislatures. He said the states should provide a good framework of insurance company investment laws and see that they are followed. Mr. Davey also recommended sound agency qualification laws administered properly. He said the state should require that every type policy be examined by the insurance department before a company sells it so that it is sure the policy conforms to state law. This, he said, requires that the examiner of such policy be a thoroughly trained person.

Illini Insurance Society is composed of upper class students at the University of Illinois who are majoring in insurance.

Dwyer and Hughes Join Peerless Bond Department

Clement A. Dwyer and James A. Hughes have been appointed underwriting supervisors in Peerless' bond department.

Mr. Dwyer has been assistant manager at Boston for 2½ years. Prior to that he was with Employers group in the bond department.

Mr. Hughes has been eastern manager for Central Surety for two years.

St. Louis Board Has New Office

Insurance Board of St. Louis has completed arrangements for leasing space in the Siteman building, now under construction at Bemiston and Cardonelet avenues in Clayton, to be used as a secondary office. B. G. Gregory, executive secretary, will be in charge but will continue in his St. Louis quarters.

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Evaluates Relation of Deviation to Competitive Picture

A frank evaluation of deviations in relation to competition was made by George H. Menefee, chairman of the casualty and surety division of Louisiana Rating Commission at the annual meeting of Louisiana Assn. of Insurance Agents at Edgewater Park, Miss.

He pointed out that the division as such could not take an active interest in the problems of competition since it regulates the companies with whom agents compete as well as the companies they represent. He said he offered his opinions in the hopes they would benefit the agents and the insurance industry.

"Deviations are based on company expenses," he said, "and a major item of company expense is the misuse of the rule concerning flat cancellations. While we believe that flat cancellations are necessary, we do not believe that the period allowed should be as long as it is or that it should be used for the purpose of competition."

He reminded the agents that some of the direct writing companies and others with whom they are principally concerned from the standpoint of competition, do not have flat cancellation provisions other than for underwriting purposes.

"I know this rule change has been suggested before and I know it has been unpopular with agents. It is easy to understand that agents would rather extend the company's credit than their own, but I do not think this fair and I think that agents should, through their committees, consider requesting a change in the flat cancellation rule. I also believe that free insurance, which is a major hazard under the present rule, seriously affects the ability of your companies to compete."

Mr. Menefee said he heard that the association planned to sponsor a bill which would eliminate provisions in the law which permit filing of deviations.

"I have no feeling one way or the other about companies being permitted to deviate," he said, "but amending the law regarding deviations is not going to benefit the agents. To fight competition, you are going to have to learn to fight according to your own rules. There are situations where insured should do business with stock company agents."

In other places, situations indicate a need for doing business with mutual agents or with one of the direct writing companies. You cannot possibly compete by attempting to sell your insurance and service in a situation better fitted by other insurance operations, and I am afraid that many of you are attempting to do that.

"You are seeking the individual private passenger car from people who are concerned with price and who have no other insurance to offer. You cannot compete successfully on this class of business. Bear in mind that of the five companies now permitted to deviate in Louisiana, not a single one writes all lines of insurance. To me it would indicate that competition could be based on selling the entire account, rather than individual policies."

Mr. Menefee conceded that in certain areas of Louisiana there is little insurance of any type sold other than auto, but concluded that "unfortunately, operation on a stock agent basis is not feasible in those areas. If it is not feasi-

ble economically," he said, "it cannot be made so by legislation."

The salvation of stock agents, according to Mr. Menefee, lies in more public service. He urged agents to do a better job in explaining changes in rates and policy coverages. To illustrate this point, he said that when the 7-class plan on auto liability was put into effect in Louisiana, the division noted a substantial amount of adverse publicity in newspapers, instituted primarily by politicians. The division's newspaper clipping service, however, found only

one item giving a full and concise explanation of the reason for the change in the rating plan and the effect it would have on the public.

"One agent went to the trouble of explaining the matter to his local newspaper and seeing that the story was correctly written. I will venture to say that the people in his community not only had less difficulty in adjusting to the change than the people in other communities, but that the people in his community look upon him as a better agent and are more inclined to seek his

counsel on insurance matters than before."

Mr. Menefee said the independence of the stock agent, which allows him to explain insurance problems and changes to insured, increases his stature in his community and reflects favorably to his benefit in competition. He termed it extremely unfortunate in view of this point that "all the bills which the association intends to sponsor with one possible exception are clearly to the benefit of the agents. I think that is not only unfortunate, but unwise," he said.



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Release Examination Report on Inland Empire

Chief Examiner B. J. Albertson of Idaho has released his final report on the examination of the now defunct Inland Empire, the Idaho insurer with headquarters at Salt Lake City which collapsed amidst confusion and fanfare. Mr. Albertson's 101 page document represents the most thorough accounting possible considering that the examination was interrupted by the movement of the home office from Salt Lake City to Phoenix and its subsequent return to Salt Lake, the company's involvement with Trans-Pacific of Phoenix, also defunct, and the sudden breakdown of the entire Inland organization.

In his conclusions, Mr. Albertson

said it is evident from information in his report and additional information in the files that Stewart B. Hopps took an active part in the management and control of Inland Empire's affairs. Mr. Hopps is the former head of the bankrupt Rhode Island insurance company and has been a mysterious figure in the insurance business for the last several years.

The attempt to monetize securities of affiliated companies, and the practice of passing such securities between companies at fixed and agreed upon values, is a dangerous practice which results only in the watering down of the assets of the companies which reflect such securities in their financial statements, the examination notes. Such a practice should be con-

demned, and the values shown for such securities should be disallowed on the statement of a company whenever filed. If such securities are found to have been passed through an insurance company at a monetized value, an adjustment should be made in the statement regardless, Mr. Albertson notes, because of the practice of agreeing, upon making the transfer, to accept such securities back at the values at which they were originally passed.

The three officers of Inland Empire who took the decision to return the records from Phoenix to Salt Lake City "under exceptionally trying circumstances" are entitled to special mention, Mr. Albertson states. Their cooperation in furnishing information assisted in compiling the examination and building up of files on Inland Empire.

The report contains 16 reasons why rehabilitation of Inland Empire was made impossible by events and circumstances, some of which had already gained momentum prior to Sept. 1, 1955. "Other events took place, and were learned of during the attempted rehabilitation, which, in themselves, could have successfully blocked all the chance at rehabilitation," Mr. Albertson adds. Among the 16 reasons is the deteriorating cash position of Inland Empire during 1955, due largely to the payment of losses and return premiums resulting from cancellations of business assumed from Louisville F&M.; the drop in the investment position of Inland; the withholding of balances due from agents (as of Sept. 30 amounting to \$1,578,792); the loss of the American Dyewood mortgage by transfer to Royal American in supposed payment of reinsurance balances due, the inability to realize to cash on \$300,000 of L. L. Constantin preferred stock; "the precipitous and unauthorized move of the company from Salt Lake City to Phoenix" which created nervousness among agents and aggravated revolting of balances; the threatened failure of Trans-Pacific; "the apparent abandonment of Inland Empire by top management following the highly irregular board meeting of Aug. 30, 1955;" the stop-payment of checks drawn in payment of agents' balances against which funds the company had already issued checks for payment of expenses and redemption of claims drafts received; the doubtful value of reinsurance with Royal American of Huntsville, Ala., and the inability to determine the true value; the discovery that certain persons claiming to be directors of Inland Empire and functioning from Phoenix had attempted to cede off Inland's business in Alabama, Florida and Kentucky along with certain assets of the company, and the further discovery that these persons claiming to be directors had attempted a rearrangement of the quota share reinsurance contract with Royal American and did sign a contract of reinsurance with that company effecting such rearrangement and cancelling the existing treaty as of Sept. 1, 1955.

Pollen Meets Press

J. A. Pollen, general manager of London Assurance, who is in the U. S. for a visit of several weeks, was guest at an informal reception at Drug & Chemical Club, New York, to meet members of the press. Kenneth J. Bidwell, U. S. manager of the group was host.

Others from the U. S. head office of London Assurance who attended were J. W. Sargent, John F. Idler, Ray L. Michael and Ronald Dadd.

8% Dividend OK'd for Rhode Island Creditors

An 8% dividend for creditors of the insolvent Rhode Island Ins. Co. has been authorized by Superior Court Judge Patrick P. Curran at Providence. A 10% dividend was paid last year. Creditors claims allowed to date total \$3,700,000.

The decree entered in court by receiver Thomas J. Meehan disclosed that \$447,097 in liquid assets are available. The 8% dividend on claims for immediate payment will amount to \$241,194.

All creditors having allowed claims will get the dividend except those whose claims have been suspended for further adjustment, those who already have received direct or indirect payments of at least 18%, those having claims in the states of Texas and South Carolina, where there are separate receiverships, and those whose claims are not presently in order for payment.

The receiver was directed to segregate \$52,531 and \$200,000 face value of certain debentures as a reserve for possible future dividends on the contingent claim of American Equitable of Corroon & Reynolds group against the Rhode Island.

Expect Decline of 200 in Number of Insurers Operating in Texas

AUSTIN—About 20 stock and 100 small mutual companies will not be relicensed this year in Texas, according to estimates made by spokesmen for the Texas department in advance of the May 31 deadline for relicensing under the "solvency check" procedure.

The department will soon begin to issue show-cause hearing orders for these companies, with the hearings scheduled to begin about June 10 and continuing for several weeks. It is expected that reinsurance agreements or mergers will be worked out on many of them prior to the hearings.

So far, more than 30 mergers or reinsurance agreements have eliminated the need for relicensing that many companies. Coupled with earlier liquidations or mergers and some withdrawals from Texas by out-of-state companies, the total number of firms operating in Texas likely will decline from the high of 2,000 to about 1,800 when the whole procedure is completed.

In some cases involving companies of other states where the relicensing date differs from the Texas date of May 31, the Texas department is issuing temporary licenses pending the next action by the department in the company's home state.

NAUA Names Caputo Assistant Actuary

Ralph N. Caputo has been named assistant actuary of National Automobile Underwriters Assn. to work with W. D. Hall, actuary and D. P. Frame, assistant actuary.

Mr. Caputo was formerly an actuary with National Bureau of Casualty Underwriters.

Chubb & Son presented its annual concert in New York City at the National Board building. The program included a chorus singing old time songs and presentations by the Chubb & Son quartet. Allan Hughes was director and accompanist and E. R. Bischoff chairman of the committee was in charge.

Insurance Agents and Brokers: NO MATTER HOW YOU LOOK AT IT



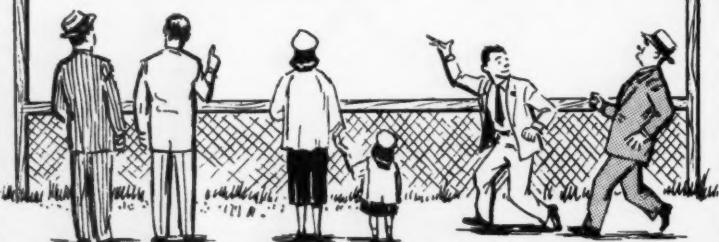
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FTC Overrules Its Examiner, Says It Has Jurisdiction

WASHINGTON—Federal trade commission reaffirmed its jurisdiction over interstate advertising of A&S, in reversing the ruling of Examiner Hier in the complaint against Federal Life & Casualty. Mr. Hier had held that this proceeding and FTC jurisdiction should be limited to advertising in Mississippi, Rhode Island and District of Columbia, because other states in which the company does business fully regulate insurance.

FTC's decision on the jurisdictional issue was 3 to 2, with Chairman Gwynne and Commissioner Mason dissenting in part. The case now goes back to the examiner with instructions to proceed on the basis that FTC has jurisdiction over the company's advertising in interstate commerce regardless of state regulation covering intrastate advertising.

The majority, as in American Hospital & Life, held that it was not the purpose of the McCarran act to substitute exclusive state power for FTC's jurisdiction over the interstate aspects of the insurance business.

The Gwynne-Mason opinion said they had, in the American Hospital & Life case, stated their views as to the proper accommodation of federal-state authority over insurance under the unique conditions of the McCarran act. They did not, however, on the record there presented, attempt to define the precise scope of federal power, nor did they believe such definition could be accomplished in any single proceeding.

The two believe there may be an area of insurance advertising activity in commerce, for example, radio or TV, within the peculiar aegis of the federal government and effectively beyond the reach of state regulation. Therefore they wanted to return the Federal L&C proceeding to the hearing examiner for the limited purpose of identifying such commercial activity and determining the extent to which those practices may be condemned under section 5 of the FTC act. Before passing upon such a novel question, they believe due administrative process requires full opportunity for counsel on both sides to brief the issue.

Examiner Cox was scheduled this week to hear a motion of Postal Life & Casualty to strike out evidence relating to the charge of false advertising of its A&S policies, with the case to be heard fully later in the week. Hearings of the Automobile Owners Safety and American Life & Accident cases also were scheduled this week.

Anderson Heads N. C. Agents, Otstot, Brantley Changed

James M. Anderson of North Wilkesboro was elected president of North Carolina Assn. of Insurance Agents at the annual convention in Pinehurst. Attendance was a record 475 agents and wives.

Mr. Anderson, who succeeded W. W. Noblin of Durham, was installed by Commissioner Gold at the banquet. Other officers are Thomas F. Hewitt of Kingstom, vice-president; Charles C. Harris Jr. of Rocky Mount, secretary; J. C. Allison of Raleigh, treasurer, and Hildreth P. Mobley of Williamston, Everett Peterson of Clinton, David Schenck of Greensboro and Thomas B. Follin of Winston-Salem directors.

Sherman G. Otstot of Raleigh, executive secretary for the past 21 years, was made executive vice-president, and Richard S. Brantley, Mr. Otstot's assistant for several years, was appointed executive secretary.

In his talk Commissioner Gold urged the association to support a move to tighten the agents licensing law during the 1957 session of the general assembly.

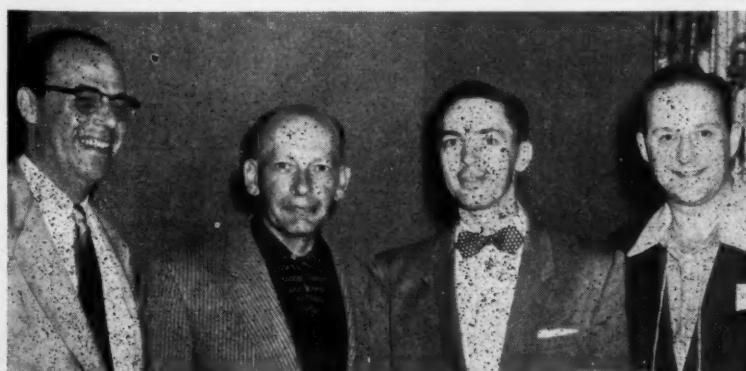
A feature of the meeting was the annual award of trophies for outstanding service during the past year.

The Thomas Gresham Redden trophy for outstanding accomplishment by a local association went to Columbus county; the Lewis M. Connor cup for service to the association to Earl Jackson of Raleigh; the C. W. Coghill memorial plaque for exceptional service to the association and community to McAlister Carson Jr. of Charlotte, and the Alexander Webb trophy for service to the association by a company man to Horace M. Johnson, general agent of Durham.

N. Y. Board Elects Magrath President

J. J. Magrath, secretary of Federal, was elected president of New York Board at the annual meeting in New York City. Other officers are Eugene C. Richard, vice-president of American, vice-president; E. C. Niver of the board staff, secretary and treasurer; Stanton E. Small, also of the board staff, assistant secretary; and W. L. Bellmer, vice-president of National Fire of Hartford, assistant treasurer.

Robert J. Bujold has joined the Miller agency of Iron Mountain, Mich., as treasurer. He has been an adjuster for American Automobile at Milwaukee.



New Officers of Cook County Fire Underwriters Assn.: James M. Eadie, Home, 2nd vice-president; Harry A. Olsen, Sun, vice-president; Wilton E. Petersen, Royal-Liverpool, president, and Edward F. Werner, Loyalty group secretary.

One call



answers All of your problems

One call to your Royal-Liverpool Multiple-line fieldman brings you his experience and help in Fire and Casualty and all allied lines. No matter where your office is, because the Royal maintains 151 field offices COUNTRYWIDE, there is a fieldman nearby to give you across-the-board facilities LOCALLY.

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COMPANY OF AMERICA • AMERICAN AND FOREIGN INSURANCE COMPANY • THE BRITISH & FOREIGN MARINE INSURANCE
COMPANY, LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • VIRGINIA FIRE & MARINE INSURANCE COMPANY



This advertisement of The Home Insurance Company really hits hard. It can open the doors of hundreds of new prospects for you. It will help you *most* if you tie-in your own efforts with it. You can get newspaper mats, posters and other help from your Home fieldman. He stands ready to assist you in any way he can.

This advertisement appears in color in:

American Home—June • Better Homes and Gardens—June • Nation's Business—June
Town Journal—June • Business Week—May 5 • Newsweek—May 14 • Time—May 14
U.S. News & World Report—May 25

Convention Dates

- May 27-30, Virginia Assn. of Insurance Agents, annual, Hotel Chamberlain, Ft. Monroe-Old Point Comfort.
- May 28-29, Georgia Assn. of Mutual Insurance Agents, annual, King & Prince hotel, St. Simons Island, Ga.
- May 28-June 1, National Assn. of Insurance Commissioners, annual, Jefferson hotel, St. Louis.
- June 3-5, Tennessee Assn. of Mutual Insurance Agents, annual, Lookout Mountain hotel, Lookout Mountain.
- June 4-5, Eastern Underwriters Assn., midyear, White Face Inn, Lake Placid, N. Y.
- June 4-6, Conference of Mutual Casualty Companies, management meeting, Lake Delton, Wis.
- June 4-8, National Fire Protection Assn., annual, Boston.
- June 7, Society of Fire Protection Engineers, annual, Statler hotel, Boston.
- June 10-12, Maryland Assn. of Insurance Agents, midyear, Commander hotel, Ocean City.
- June 10-12, Insurance Advertising Conference, annual, Skytop Lodge, Skytop, Pa.
- June 11-13, South-Eastern Underwriters Assn., annual, The Homestead, Hot Springs, Va.
- June 11-13, National Assn. of Mutual Insurance Agents, midyear, Claridge hotel, Atlantic City.
- June 12-15, National Assn. of Insurance Women, annual, Conrad Hilton hotel, Chicago.
- June 13-16, International Assn. of A&H Underwriters, Miami Beach.
- June 14-16, Mississippi Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park.
- June 17-19, New England Advisory Board of New England Assns. of Insurance Agents, summer meeting, Wentworth-by-the-Sea, New Castle, N. H.
- June 21-22, Missouri Assn. of Mutual Insurance Agents annual, Hotel Chase, St. Louis.
- June 27-July 1, National Assn. of Public Insurance Adjusters, annual, Kiamishi Lake, N. Y.
- June 28-30, North Carolina Assn. of Mutual Insurance Agents, annual, Mayview Manor, Blowing Rock.
- July 12-14, International Assn. of Insurance Counsel, annual, Greenbrier hotel, White Sulphur Springs, W. Va.
- Aug. 8-10, Alaska Assn. of Insurance Agents, annual, Fairbanks.
- Aug. 12-15, West Virginia Assn. of Insurance Agents, annual, Greenbrier hotel, White Sulphur Springs.
- Aug. 20-21, South Dakota Assn. of Insurance Agents, annual, Cataract hotel, Sioux Falls.
- Aug. 20-22, International Federation of Commercial Travelers, annual, The Greenbrier, White Sulphur Springs, W. Va.
- Aug. 20-24, Honorable Order of Blue Goose, International, 50th Grand Nest, Milwaukee.
- Aug. 22-24, Federation of Insurance Counsel, annual, Shamrock hotel, Houston.
- Aug. 23-25, Texas Assn. of Mutual Insurance Agents, annual, Ft. Worth.
- Aug. 30-Sept. 1, Montana Assn. of Insurance Agents, annual, Helena.
- Sept. 5-7, Oregon Assn. of Insurance Agents, annual, Multnomah hotel, Portland.
- Sept. 9-10, Vermont Assn. of Insurance Agents, annual, Middlebury Inn, Middlebury.
- Sept. 9-11, Washington Assn. of Insurance Agents, annual, Davenport hotel, Spokane.
- Sept. 9-12, Idaho Assn. of Insurance Agents, annual, Sun Valley.
- Sept. 10-11, New Jersey Assn. of Insurance Agents, annual, Traymore hotel, Atlantic City.
- Sept. 10-12, New Hampshire Assn. of Insurance Agents, annual, Crawford House Club, Crawford Notch.
- Sept. 12-14, Maine Assn. of Insurance Agents, annual, Samoset hotel, Rockland.
- Sept. 12-14, Society of CPCU, annual, Cincinnati.
- Sept. 12-14, Michigan Assn. of Insurance Agents, annual, Pantlind hotel, Grand Rapids.
- Sept. 16-18, Insurance Federation of North Dakota, annual, Bismarck.
- Sept. 17-18, Minnesota Assn. of Mutual Agents, annual, Leamington hotel, Minneapolis.
- Sept. 17-19, International Claim Assn., annual, Hotel Chamberlain, Old Point Comfort, Ft. Monroe, Va.
- Sept. 17-20, National Assn. of Insurance Agents, annual, Waldorf-Astoria, New York.
- Sept. 24-25, Utah Assn. of Insurance Agents, annual, Salt Lake City.
- Oct. 7-9, Pennsylvania Assn. of Insurance Agents, annual, Bedford Springs hotel, Bedford Springs.
- Oct. 7-10, National Assn. of Casualty & Surety Agents, annual, White Sulphur Springs, W. Va.
- Oct. 7-10, National Assn. of Casualty & Surety Executives, annual, The Greenbrier, White Sulphur Springs.
- Oct. 14-17, Federation of Mutual Fire Ins. Companies, annual, Sheraton-Gibson hotel, Cincinnati.
- Oct. 15-17, California Assn. of Insurance Agents, annual, Sheraton-Palace hotel, San Francisco.
- Oct. 7-11, National Assn. of Mutual Insurance Companies, annual, Cincinnati.

I've recommended you to a friend because I like your

BDA service



There are three points of service in Power Plant Insurance — and you are able to give extra value in each of them every time you place with Hartford Steam Boiler.

B BEFORE the policy is issued, your Hartford Steam Boiler Special Agent — expert in boiler and machinery underwriting — can help you select coverage suited to your client's needs.

DURING the life of the policy, inspection of your insured's boilers and machinery by a Hartford Steam Boiler Field Inspector can often prevent accidents and prolong the useful life of this equipment.

AFTER an accident (should one occur), prompt and capable on-the-spot assistance by Company specialists promotes quick and equitable settlement of claims and helps speed rehabilitation.

It pays to choose the best.



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**HARTFORD STEAM BOILER
INSPECTION
and INSURANCE COMPANY**
Hartford 2, Connecticut

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55 FIFTH AVE., NEW YORK

Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

Small Town Agent Gives Views on How to Sell, Serve and Succeed

Public relations which have worked in a small town agency were discussed by Scott Rich, local agent of Gowanda, N.Y., at Buffalo I-Day.

Rich, Young & Perrigo, the agency in which he is a partner, is the only purely stock agency in town. The others are mutual or direct writers.

"This leaves us in the unique position of being the only agency in town where one can't get a dividend," he said.

Mr. Rich said his agency doesn't give away any gimmicks. It mails no calendars, has no tricky key chains or pearl handled letter openers. The client doesn't want key chains, he wants good insurance, he said.

"I was in the office of an agent I know one day and a poor old man came in to pay his \$11.32 premium. They gave him a policy wallet, a key chain with nickels in it, a calendar and some blotters. When he went out with all his little treasures, he left his policy and receipt on the counter. He just didn't have room in his pockets or hands for it.

"We wind up every year making more profit than the 'better than average profit agency' and I think it's because we aren't selling calendars—we sell insurance," he said.

Mr. Rich said his agency believes in a professional approach to insurance. There is no reason for the agent to be afraid of business interruption, the 3-D, homeowners or retrospective rating, he said. There are books and company men from whom agents can get information about policies, he said.

The agency endorses the idea of account selling, but it doesn't make a fetish out of it, Mr. Rich said. Reciprocity is hard to fight in a small town, particularly among store owners, because they want to sell everybody a suit. Manufacturing risks are better subjects for account selling because they have no local axe to grind and are more interested in getting the best man for the job. If he finds a client is taking a single policy as a token to the agency, he, Mr. Rich, is apt to give up and go elsewhere because a single policy risk isn't profitable.

The agency makes a policy of delivering the majority of its renewals, most often those which need attention for one reason or another. If Mr. Rich thinks he can sell a client something else, if the client is slow to pay, or if Mr. Rich hasn't seen him lately, he delivers the renewal. He believes the agent ought to know his clients and that many of the larger city agencies are weak on this point. He said he heard of a city agent who walked into the office of the manager of one of the stock casualty compa-

ies and threw down a \$200 auto renewal saying "When are you guys going to do something about this price situation? I just got this policy back." The manager asked how the agent lost the renewal and asked what the client said. "What did he say? I don't even know this guy. I got him two years ago from a friend who is a garage dealer."

In spite of all the professional approaches and talk of service, agents still have to face the fact that many customers are on their books because they like the agent personally. "If they like you," Mr. Rich said, "all the dividends, Allstate, Nationwide, etc. aren't going to get the guy away from you."

The Gowanda agency is rough on collections, Mr. Rich said. Good collecting is nothing more than selling the client on the idea that the agent wants his money now. The agency has a strict 45-day system, he said, and the result is that on the last day of last year there was only \$900 on the books due more than 45 days and \$53 in bad debts. "When we call them bad or uncollectable, boy, they are bad," he said.

"We don't want the insurance buying public, we want the insurance paying public."

A by-product of this tough collection system is that it has improved the agency's loss ratio considerably. If a man can't pay for his insurance, chances are he's spending his money on something he shouldn't, not maintaining his car, and is going to be a

pain in the neck when he has a claim.

Good companies are important to good public relations, Mr. Rich said. Field men are also important, but his agency doesn't often use them for making calls. He said he is inclined to be sneaky about it. He asks the field man the question in the office and then goes out and sells the policy himself to make the client think he knew the answer all the time.

Many sales are ruined by talking

too much, he said. Don't bore the client with figures, don't tell him too much or he'll be confused.

Be nice to people on the street. Say hello even if they are strangers, he advised. Cultivate the girls in the outer office of customers—not cheek pinching or sitting on desks—just be friendly. Many times a secretary can give an agent needed information that her boss doesn't know.

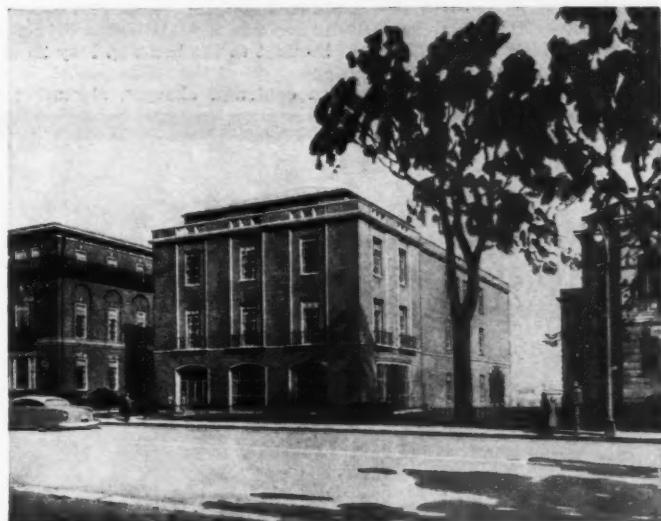
On closing the sale, Mr. Rich suggested that when an agent has presented his complete story he stop with something like "What do you think of it?" This requires an answer either, "It stinks," or "I think it's a good deal" or it brings on questions. Remember, he advised, keeping the interviews moving is not high pressure selling.

Education is important, he said, but it can be overdone. There are agents who are CPCUs and CLUs and who would be CPLUs if there were such a thing. They are usually bores. Knowledge should be there without waving it around, he said. Mr. Rich is three-fifths finished with his CPCU, but he still doesn't think the knowledge should be used to impress people.

Cleveland Board Issues Book

Insurance Board of Cleveland has issued a booklet on its 110th anniversary listing the functions, services and advantages of belonging to a trade association.

Insurance Women of St. Paul (Minn.) elected the following officers: Ethel Johnson, president; Mrs. Venita M. Salt, vice-president; Mrs. Orlean Antonson and Mrs. Florence Pollreis, secretaries, and Dorothy Tschida, treasurer.



New Eastern Headquarters for Kemper Group



More than 1,000 agents from seven eastern states were participating in a three-day open house May 23-25, culminating in a tour of the new Kemper companies' eastern headquarters building at Summit, N.J.

Activities coinciding with the open house are being held in New York and in Summit, and include a meeting of agents of Lumbermens Mutual Casualty and American Motorists, a meeting of Lumbermens and American Motorists board members, luncheons and dinners.

James S. Kemper and Hathaway G. Kemper, chairman and president respectively of the Kemper companies, head a delegation of executives from

Says Midwest Has Lost Chance to Get Out of Receivership

Midwest of Indianapolis has lost its chance to resume operations when it allowed 10 days to pass, following the appointment of a receiver, without filing an appeal with the state supreme court, according to Robert S. Smith, the attorney whose suit threw the company in temporary receivership on May 7. Mr. Smith got the appointment of a temporary receiver when the company refused to pay a \$7,500 judgment awarded a seven-year-old boy who was injured in an accident involving a Midwest insured.

Mr. Smith says Midwest missed its chance when midnight May 17 passed without the company filing an appeal and posting a bond equal to that of

the receiver, in this case, \$25,000. Had this been done within the required 10 days it is possible that the company officials would have gained possession while the court determined the legality of the receivership appointment.

While the company was letting its chance for appeal go, it was losing an action to get a change of venue from Marion county on the receivership litigation. However, William B. Landwehr, treasurer and owner of Midwest, was able to get the hearing on the assets of the receivership postponed from May 22 to May 25. The reason for the postponement, according to Landwehr's lawyer, Keith Tyler, is that they have "a tractor-trailer full of records in St. Louis" which must be brought to the hearing. May 25 is also the day of Mr. Landwehr's hearing on contempt charges, stemming from

the incident when Midwest officials took over possession of the building on May 11. Others to be tried on the contempt charges are M. C. Hunter, president; George Spitzer, vice-president, and E. E. Kortemeyer, superintendent of agencies.

Meanwhile, the company's handsome new office building is under guard and in possession of the receiver. Among the "interesting things" which Mr. Smith says he and the receiver have found are a total cash balance of \$5,800 in a Clayton, Mo., bank account (the company kept no bank account in Indianapolis), although the latest financial statement claimed \$121,210 cash on hand; \$50,000 in time deposits, and \$25,000 in series E government bonds.

Rocky Mountain AR Plans Hold Annual Meetings in Denver

Members of the Colorado, New Mexico and Wyoming assigned risk plans at their annual meetings in Denver last month elected the following members to their governing committees: National Bureau of Casualty Underwriters, Andrew J. Luck, Fidelity & Casualty; Mutual Insurance Rating Bureau, Oscar Swanson, Liberty Mutual; National Assn. of Independent Insurers, W. E. Searle, State Farm Mutual Auto.; all other stock-insurers, J. H. Silversmith, Manufacturers Casualty, and all other non-stock insurers, James McElberry, Farmers Exchange. Mr. Swanson is chairman.

R. G. Shurtliff, manager of the plans, reported that each state had a decrease in the cost per assignment in 1955. Colorado's cost dropped from \$1.35 in 1954 to \$1.29 in 1955; New Mexico's was down from \$1.78 to \$1.48, and Wyoming's from \$1.52 to \$1.45. Mr. Shurtliff also reported the number of assignments was down in each state but the cost of operating the plans was also down.

Commissioner Berry, Colorado, spoke to the Colorado group about indemnifying the insurance department, members of the governing committee and employees of the AR plan against possible causes of liability because of failures of insurers in Colorado in which assignments have been made. No decision was made and the subject was left in the hands of the governing committee.

American Surety Increases Dividend

American Surety has declared a quarterly dividend of 22½ cents a share payable July 2 to holders of June 8. This is the new dividend, at an annual rate of 90 cents, on 1,200,000 shares, the number now outstanding since a four for one stock split May 1. The dividend represents an increase of 15 cents per share over the previous yearly rate.

IDEA Honors Miss Gliatto

Insurance Distaff Executives Assn. of Chicago at its annual meeting presented an award to Miss Fay T. Gliatto recognizing her as an outstanding insurance woman in Illinois. Miss Gliatto recently was appointed a director of Insurance Brokers Assn. of Illinois. She is the first woman to be appointed to such a high association position.

New officers of IDEA, headed by Mrs. Anne L. Whitney, Assn. of Casualty & Surety Companies as president, were installed.

Ind. Spring Caravan Discusses Homeowners, CDP; Plan Fall Repeat

Approximately 500 local agents and their office personnel attended the meetings of the Indiana spring caravan sponsored jointly by Indiana Fire Underwriters Assn. and Indiana Casualty & Surety Managers Assn. The meetings were devoted almost exclusively to panel discussions of homeowners A, B, and C, and the comprehensive dwelling policy. The caravan stopped at Fort Wayne, South Bend, Gary, New Albany, Evansville, and Indianapolis.

Local board presidents in each city served as chairmen and made welcoming addresses. They are Joseph Hoffman, Fort Wayne; Arnold Carson, South Bend; Joseph B. Joyce, Gary; Bernard J. Weber, New Albany, Byron Stockwell, Evansville; Glenn Findley, Indianapolis. Moderators and panelists were members of the two sponsoring associations. Carl Adams, New York Underwriters, was moderator in the north, and Warren Bess, Atlas, in the south. Taking the CDP were Ward Hackleman, American, in the north and Terry Carpenter, Travelers, in the south. William Welsh Springfield F&M., and Richard Fischer, Commercial Union, discussed homeowners A; Robert Hubbell, Northern of London, and Paul Down, Commercial Union, took homeowners B; and Charles Lyden, Home, and Henry McCusker, Royal-Liverpool, were panelists for homeowners C. William Jones American Surety, and William Smead, Standard Accident, were casualty coverage panelists.

Presidents of the associations who sponsored the caravans are Wilbur Scott, Home, of the fire underwriters, and Marvin Simpson, London and Lancashire, of the casualty and surety managers. Edward Melsh, Sun, was general chairman of the caravans. Plans are being made to repeat the caravans this fall.

Aetna Life Group Holds Sales Session

Aetna Casualty and Standard Fire outlined opportunities for promoting package policies to field men at a three-day conference in French Lick, Ind. Olaf Nordeng, vice-president of Aetna Life group's fire division, directed the program. More than 115 field men and department managers across the country attended.

The meeting stressed production opportunities with the new dwelling and mercantile package forms and mapped plans for improving field production operations. Current trends in marine and casualty were also discussed. Henry S. Beers, president, and E. N. O'Beirne Jr., assistant vice-president, also spoke.

Northern of London has become a member of General Cover Underwriters Assn. effective May 31.

POLICY DRAFTSMAN

Design Liability policies for Stock Company entering miscellaneous Liability field. No Auto. Primarily family and personal liability and burglary coverage.

\$8,000 per year.

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Age to 30. Some college preferable, not necessary. Chicago. Salary to

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Portland Buffalo Atlanta Calgary Washington Tulsa
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Hunt, Hodges Urge Support of Stronger Code for Oklahoma

"The recent decision of federal trade commission on A&S advertising ruled in substance: To hell with public law 15 and state insurance laws," according to Commissioner Hunt of Oklahoma, who warned against federal encroachment into the insurance business in his talk before the convention of Oklahoma Assn. of Insurance Agents in Tulsa.

"You and your companies are now faced with dual regulation by the state and federal government," he said, "and it is up to you and me to try to keep federal regulation from becoming federal regimentation."

In answer to a self-posed question on whether the insurance industry needs a Federal Deposit Insurance Corp., Mr. Hunt replied: "We all know that the insurance industry would be better off without federal intervention, but state laws must be strengthened. Insurance departments must be given ample help and budgets for this purpose."

Mr. Hunt urged the agents to join forces with life, A&S and mutual agents in "a united front to assert states rights" and said, "If you don't believe in continuous policies and if you don't want to see the abolition of the agency system, see that laws are enacted that will protect the agency system and the insuring public."

Mr. Hunt praised the state legislative council, the industry and the insurance department for its work in recodifying the state insurance laws and introduced H. G. Rhodes, assistant commissioner, who reviewed the recodification.

To defeat federal encroachment, Mr. Rhodes said, the commissioner must have sufficient power delegated by statutes and the department must have a sufficient appropriation to enable the commissioner to do the job contemplated by those laws.

He criticized Oklahoma's present code as a "crazy patchwork quilt containing much desirable legislation but lacking continuity and cohesion."

The proposed code, to be considered at the next legislative session, he said, "embodies the fair trade practices act, raises capital requirements for the formation of domestic companies, prohibits the mortgage cancellation fee and in general strengthens the state's

insurance laws to insure a continued free moving competitive flow of business, limited only by necessary safeguards for the policyholders and ethical restraints on those who would profane the business."

Mr. Rhodes urged "grass roots" support of the proposed code and the agent's qualification law, which is in final draft by a sub-committee. "Heed the adjuration of your association and tell your local representatives and senators that you are interested personally in better insurance laws and an increased appropriation for the insurance department," he concluded.

Bituminous Cas. Has Gains, Names Four New Officers

An increase of more than \$850,000 in premium writings for the first four months, representing a gain of approximately 12% over the corresponding period of 1955, was reported to the stockholders of the Bituminous Casualty at the annual meeting last week.

F. B. White, president and chairman, predicted further progress for the balance of the year and expressed the view that, despite the continuing trend to higher benefits in workmen's compensation satisfactory underwriting results for the year could be expected.

Underwriting results for 1955, combined with investment income, enabled the company to add \$803,000 to surplus which now stands at more than \$9 million, he said.

E. E. Hoffman, assistant secretary and superintendent of underwriting, was elected vice-president and supervisor of agencies and underwriting. Formerly with Hardware Mutuals, Mr. Hoffman joined Bituminous in 1945 as manager at Minneapolis and moved to the home office in 1950.

H. A. Golz, assistant superintendent of underwriting, was elected assistant secretary and manager of the underwriting department, and S. T. Larson was named assistant secretary and manager of the liability claim department.

L. B. Wilson, assistant treasurer, was elected treasurer to succeed E. H. Krell, who asked to be relieved of the office but who continues as a member of the board.

Illinois Mutual Casualty has been licensed in North Dakota, and will be represented by John M. Boldingham, general agent of Breckenridge, Minn.



Officers and directors of Florida Assn. of Insurance Agents elected at the annual convention are, seated from left, L. P. McCord of Jacksonville, state national director; Eugene F. Wise of Orlando, 1st vice-president; E. Finley Cannon Jr. of Gainesville, president; Donald A. Bolton of Jacksonville, retiring president; R. S. McKay of Tampa and John Allison, legal counsel, Tampa. Standing, from the left, are Roy J. Shuford of Tallahassee, retiring director, Seth G. McKeel of Lakeland, John Campbell of Crestview, Lamar Hutchinson of Orlando, Harry F. LeCrenier Jr. of West Palm Beach, William Queen of St. Petersburg, Henry Weeden of Hollywood, and Tom C. Johnson of Tampa, executive secretary.

N.A. Offers Fire, EC, Time Element on All Risk Basis

North America group now is offering in Pennsylvania a special coverage endorsement which for both buildings and contents broadens fire, extended coverage and time element coverages to "all risk" for an additional premium. All risks are eligible, on a carefully selected and submit-to-the-company basis, except dwellings, farms

and stocks of merchandise.

The rate is five cents for one year, 12.5 cents for three and 20 cents for five, on top of the 80% or higher co-insurance fire and EC rates. A deductible of \$250 is applied and may not be eliminated. For builder's risks the deductible is \$1,000. Fire insurance rules are followed for time element rates.

Exclusions include the usual marine ones such as termites and deterioration, earthquake and flood, ordinance, theft, radioactive contamination, glass, war, etc.

A business needs constructive thinking for growth and success today! And at SWG we pride ourselves on just that!

CONSTRUCTIVE THINKING

The result! New ideas, new coverages, new methods — new business for the SWG agent.

FIRE • CASUALTY • AUTOMOBILE • MARINE



GIBRALTAR LIFE BUILDING, DALLAS, TEXAS

SOUTHERN DEPARTMENT, ATLANTA, GEORGIA



error-proof



While an "error" on the baseball diamond may be relatively unimportant and harmless, an error on the part of the professional man may easily lead to a ruinous judgment. You can shortstop the possibility of loss for your clients by placing their Errors & Omissions coverage through Illinois R. B. Jones, Inc. This insurance can be written on attorneys, appraisers, collection agencies, corporation directors, notary publics, stock brokers, etc. And don't forget . . . it's available for insurance agents and brokers, too!

Illinois R. B. Jones Inc.

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William E. Lersch, Vice-President



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| 1. Automobile | 4. Residence Lia. | 7. Comprehensive Dwelling |
| 2. Garage Liability | 5. Fire Lines | 8. Personal Floater |
| 3. Plate Glass | 6. Home Owners | 9. Tenants Form |

We shall be glad to hear from agents desiring a "better than average" Home Office Connection.

Rublee Urges PR Ad Programs by Local Associations

Robert M. Rublee, vice-president treasurer of Buffalo Fire Office local agency, in a Buffalo 1-Day address, called for concerted advertising and public relations campaigns by insurance boards and associations across the country to combat direct writing competition.

"The charge has been levelled, and apparently with some justification, that the insurance industry has been laggard in its advertising and public relations efforts," Mr. Rublee said.

"If any jolt is needed, look at the figures of one direct writer, which six years ago wrote \$45 million in premiums. This same do-it-yourself company will show for 1955 a quarter of a billion dollars in premiums written. I think it is equally apparent that had the proponents and members of the agency system been as advertising and public relations conscious as many other industries have been, direct writers could not have enjoyed this growth."

Mr. Rublee said that if the public is not told of the advantages and extra services received when dealing with independent agents, more and more business will default to the direct writers. He added that to date a very small percentage of the insurance buying public is aware of the differences. He cited figures of Insurance Board of St. Louis that showed only 22% of policyholders were aware that an independent agent provides service beyond issuing a policy and collecting a premium.

He pointed out that an independent agent cannot afford to spend a large amount of money on public relations or institutional advertising, though a great deal is needed. It is only by pooling of money through associations and boards that a sustaining educational advertising campaign can be conducted.

He recalled that the Buffalo association has allotted \$3,000 for this effort and said that more than 200 associations and boards in the nation have already instituted campaigns. He pointed out the various media used and hailed the various symbol promotions, such as TIS and TIC (trained insurance specialists and trained insurance counselor) as particularly effective. He said the companies in their advertising are backing the independent agent by displaying the various TIS or standard protection seals and stressing the services of the local agent. He added that the National Board is promoting the standard protection deal in its advertising, and mentioned that the Insurance Advertising Conference pools advertising information and ideas in its newsletter to state and local associations cross the country.

Many companies, he said, make available to their agents advertising tools which can be readily adapted to association use. Other companies are already starting to produce advertising aids designed specifically for association use, he added.

He urged associations to start their campaigns now.

"This too is a cold war that promises to continue for many years," Mr. Rublee said.

Insurance Women of Louisville have elected the following officers: Mrs. Elizabeth Meier, president; Miss Mary Troutman, 1st vice-president; Mrs. Joan Montgomery, 2nd vice-president; Miss Evelyn Lee and Miss Katie Weber, secretaries, and Mrs. Roberta Carter, treasurer.

Pa. Educational Conference Program Set for June 10-12

The three-day insurance educational conference at Pennsylvania State university, sponsored by Pennsylvania Assn. of Insurance Agents, will start June 10 with afternoon registration and an evening informal get-together.

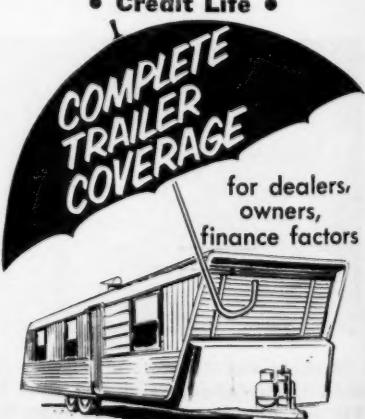
Morning classes June 11 will feature talks by Addison Roberts, vice-president of Fire Association, on basic business interruption coverages; Alfred E. Bowman, assistant secretary of American, on comprehensive dishonesty, disappearance and destruction policy; Paul M. Holland of AFCO, on premium financing, and William B. Beutler and Joseph I. Creedon of Middle Department Assn. of Fire Underwriters, on changes in the department.

Bernard J. Daenzer, vice-president of Security-Connecticut, will speak on mercantile block policies at the afternoon session. The association will hold a banquet in the evening at which Lawrence E. Dennis, university provost, will speak. Informal discussion groups will follow.

The program for the morning of June 12 includes talks by James Copp, special agent of Hartford Fire, on package dwelling policies; Elmer Miller, insurance editor of *Journal of Commerce*, on trends in insurance; Robert F. Degener, vice-president of Appleton & Cox, on personal marine lines, and Stuart H. Smith, education director of Agricultural, on complete farm coverage. The afternoon session will feature an agents' panel on agency problems with Harry W. Fritz of Philadelphia, William J. Graul of Allentown, Helen E. Remler of Meadville and Henry R. Schaufert of Harrisburg as panelists.

Co-sponsors of the conference are Anthracite Fire Underwriters Club of Philadelphia, Casualty Assn. of Pittsburgh, Casualty & Surety Managers Assn. of Philadelphia, Insurance Club of Pittsburgh, Insurance Society of Philadelphia, Pennsylvania Field Club, Smoke & Cinder Club of Western Pennsylvania, Surety Assn. of Harrisburg, Surety Assn. of Pittsburgh, Surety Underwriters Assn. of Philadelphia and Underwriters Club of Philadelphia.

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Holbert Reelected President of Montana Independent Agents

Howard F. Holbert of Twin Bridges was reelected president of Independent Insurance Agents Assn. of Montana at the association's workshop convention in Great Falls.

Other officers are Donald Rosenberry of Billings, secretary-treasurer, and Howard N. Wheat of Helena, Frank Flynn of Great Falls, Oscar Enebo of Stevensville, Joseph Bush of Missoula and Al Hawkinson of Jordan and A. F. Erickson of Glendive, all directors.

The association approved a resolution asking the Montana department "for immediate and positive action for passage of agent licensing provisions setting forth definite qualifications for writing insurance in Montana."

Mr. Holbert, in a criticism of present statutes, said applicants for licenses do "not have to know how to read or write, let alone be able to explain a policy."

The association was formed in 1954 by agents who represented both stock and mutual companies when Montana Assn. of Insurance Agents voted to uphold a provision limiting membership to stock company agents and after the mutual agents also formed an association.

Speakers at workshop sessions were: Arnold Olson of the Sogard general agency, Great Falls, on mercantile block; Frank Burgess, adjuster, on "How Claims Can Sell Insurance"; Cecil Musburger, general manager of the Appliance Mart, on "Selling and Training of Salesman," and a report on Montana Insurance Advisory Council by H. N. Wheat, chairman.

Enjoins Higher Del. Tax on 176 Insurers

Delaware court of chancery has signed preliminary injunction ordering Insurance Commissioner Smith to hold up deposit of more than \$170,000 collected on 1955 business from insurance companies under police and firemen's pension taxes passed by last year's legislature.

A total of 176 companies doing business in the state sought the injunction. The legislature passed bills establishing companies doing police-related business and increasing from 2.5% to 3.5% an existing tax on gross premiums of fire companies. The companies contend that the laws were not passed in accordance with state constitution provisions, including one that requires approval by a three-fourths legislature vote.

Companies affected by the police pension tax are those writing burglar robbery, theft, automotive property damage and automotive medical policies. The firemen's pension tax applies to fire insurers.

The injunction states that the police pension fund now totals more than \$57,000 and the increase in the firemen's pension fund has netted more than \$112,000.

Record Year for Cincinnati

Premium volume of Cincinnati was up 68% in 1955, with a substantial portion resulting from homeowners policies. The company, which was organized in 1950, has recently issued 5,000 additional shares of stock, bringing capital to \$300,000. Plans are nearing completion for the construction of a new home office building.

Cincinnati held its annual sales meeting for agents in Cincinnati. Panels on homeowners, mercantile block

and sales methods covered two days, with ample entertainment included.

F&D., Aetna on Cal. Bonds

Fidelity & Deposit is surety on a \$2,628,470 contract for construction of an autometrics building at Downey, Cal. The contract was awarded to Diversified Builders of Montebello, Cal., by North American Aviation.

Aetna Casualty is surety on a \$2,711,100 contract for highway improvement in Marin county, Cal., awarded to Peter Kiewitt & Sons of San Francisco by California department of public works.

Baxter, Ballantine to Eastern Claim Posts for Continental Casualty

Continental Casualty has named William I. Baxter assistant vice-president at New York. He will supervise claim operations in metropolitan New York and the states of Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Maryland, District of Columbia, Virginia and West Virginia.

Howard S. Ballantine was made as-

sistant general claims attorney at New York. He will work on unusual cases, important litigations and reinsurance claim matters.

GAB Promotes Two in Va., N. C.

General Adjustment Bureau has promoted Wendell E. Ray from adjuster-in-charge to branch manager at Suffolk, Va., and John H. Allred from adjuster-in-charge to branch manager at Rocky Mount, N. C. The Suffolk office was formerly under supervision of the Norfolk office, and the Rocky Mount facility was supervised by Raleigh.

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A YEAR



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Neil Miller
Treasurer

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EDITORIAL COMMENT

A Fallacy that Needs Puncturing

Addressing the recent zone 5 insurance commissioners meeting in Dallas, an automobile manufacturer's safety expert repeated a popularly accepted but nevertheless cockeyed view that is helping to keep traffic accidents so prominent a feature of insurance claim payments.

Said Fletcher N. Platt, manager of traffic safety and highway improvement for Ford Motor Co.: "Many traffic safety experts agree with our contention, although proof is not available, that improved acceleration resulting from higher power is a safety factor."

You bet "proof is not available!" Because it's pretty obvious that open-minded investigators would have to conclude the exact opposite, except for the minute percentage of drivers with true driving skill, razor-sharp perceptions, and sufficient emotional maturity to forego thrills and chance-taking.

Lightning acceleration to get you out of a tight spot is a comforting thought. But why does the typical driver find himself in a tight spot? Isn't it because he believed, in his not overly expert judgment, that his highly-advertised acceleration could get him out of it in time? If his appraisal was wrong, of course, he's going so fast that—well, another chance for some life company to prove its promptness in settling claims.

The FTC as a Judge of Morals

The same U. S. agency which has become so possessive towards insurance is the one which pretends to act as arbiter of good and bad in cigarette advertising. They are saying there is a proper way to entice youth into a life of drug addiction and there are ways that ought to be frowned on. Nuts! Any claim that goes beyond the point of asserting a greater degree of compulsion for one brand of cigarette over another is manifestly deceptive. It is preposterous to assume that there is any ethical level for furthering the spread of lung cancer. A government agency that is a party to such a sordid business cannot in good conscience object to the most flagrant lie that may be invented to promote the sale of the beneficial service of insurance. Even if we come to federal regulation, insurance should not be compelled to suffer the indignity of being supervised by

The truth is that errors of judgment committed with today's superpowered cars are a lot more likely to be fatal than when horsepowers were lower and drivers didn't consider it a point of honor to be able to trim other makes in traffic-light drag races.

Mr. Platt concedes a smart aleck can turn a powerful car into a lethal weapon but he pleads that even with older, less-powerful cars the idiot can be just as deadly. This is like saying that because babies have been known to strangle on seemingly harmless toys, it is therefore sensible to let them play with machine guns.

No, ultra-swift acceleration as a safety factor makes about as much sense as permitting everybody to carry revolvers. Both the acceleration and the revolver can conceivably be life-savers under some conditions. But for the typical driver, the neck-snapping acceleration of today's cars will, like pistol-packing, get him into more trouble than it will get him out of.

Sure, it can be argued that in the hands of the expert, a lethally-powered car or any other lethal weapon is perfectly safe. But would Mr. Platt or the Ford company—or any other auto maker—like to see the use of their cars confined by law to only those persons with the skill and the proper psychological attitude to be entrusted with dazzling acceleration?

unclean hands of federal trade commission.

PERSONALS

W. Harold Leonhart, president of Leonhart & Co. of Baltimore, on May 26 will fly to London, where he will be joined June 12 by his son, Billy, who is graduating from high school June 10. Mr. Leonhart's European trip will include the Scandinavian countries, Germany, Switzerland and France. Billy Leonhart, during the summers between college courses will work at Lloyds and with European insurance and reinsurance companies.

Roy L. Davis, midwest manager of Assn. of Casualty & Surety Companies, has returned from a vacation in Arizona and has moved right into the

speaking circuit. He addressed the May meeting of Chicago chapter of CPCU May 22 on compulsory automobile insurance, and on May 23 discussed highway safety at the Kentucky state-wide safety conference at Louisville.

John W. Hannon, president of Everts-Tremaine-Flicker Co. agency of Cleveland, was guest of honor at a luncheon last week upon the occasion of his 85th birthday and his completion of 25 years as president of the agency, which he joined in 1908. The Cleveland representatives of seven of the stock companies represented by Everts-Tremaine-Flicker were hosts. Mr. Hannon is the sixth president of the agency, which has been in business for 112 years. The host companies were Royal-Liverpool, which went into the agency in 1864, Agricultural (1885), Westchester (1892), New Hampshire (1905), Home (1909), Fidelity-Phenix (1914), and Fireman's Fund (1925).

T. K. Robinson, Memphis local agent and past president of Insurors of Tennessee, has been named president of Tennessee Tuberculosis Assn.

A. Park Shaw Jr., assistant manager of Hartford Accident's Bridgeport, Conn., office has been elected president of the Connecticut junior chamber of commerce. He was one of 30 U. S. delegates to the 10th junior chamber of commerce international world congress last year at Edinburg, Scotland.

A. M. O'Connell, Cincinnati, NAIA executive committeeman, and Mrs. O'Connell are spending several weeks touring Europe. Their trip includes a jaunt by bus through Eire.

Max R. Schrayer, vice-president of Associated Agencies of Chicago, has been elected president of the University of Michigan Club of Chicago. Mr. Schrayer graduated from Michigan in 1923 with a B.S. in mechanical engineering but soon entered insurance and has been a broker and agent in Chicago for more than 25 years.

Herbert C. Brook of Lord, Bissell & Brook, Illinois attorneys for Lloyds, returned last week after six weeks in London visiting with underwriters at Lloyds.

Robert W. Watt, president of Seaboard Surety, has been elected a life trustee of Columbia university, New York City.

Alexander B. Stewart, underwriting member of Lloyd's, recently visited the United States with Mrs. Stewart. Mr. Stewart was guest of honor at a reception and dinner at the Union League Club, Chicago, at which 75 guests in all fields of insurance were in attendance. With the aid of picture slides Mr. Stewart gave an address on marine insurance and the operations of Lloyd's.

In New York Mr. Stewart addressed the American Management Assn. on the same subject.

Mr. Stewart has been with Lloyd's for 50 years, and from 1940 to 1954 was chairman of the Joint Hull Committee. He was chairman of Lloyd's Aviation Underwriters Assn. from 1943 to 1945. He was a member of the Lloyd's committee from 1946 to 1950 and is a vice-president of the Air Registration Board and a vice-president of International Union of Marine Insurance.

Southern General of Atlanta on Confederate Memorial Day, May 10, was visited by two distinguished southerners, **Robert E. Lee** and **Jeff Davis**. Mr. Lee is the Georgia state agent of Marquette Casualty, and Mr. Davis is representative at Atlanta for Allstate.

DEATHS

HERBERT E. ADAMS, retired general adjuster for Factory Insurance Association, died in Fort Lauderdale, Fla., after a long illness. He joined the organization in 1913 as an inspector and transferred to the inspection department in Hartford in 1917. He became superintendent of the department in 1924 and was later named assistant manager of the eastern regional office and then general adjuster. He retired in 1954.

MRS. W. D. HEMINGWAY JR., whose husband is president of Insurance Agency Co. of St. Louis, died unexpectedly at Frankfort, Germany, while on a European trip with her husband.

ARTHUR L. EUSTACE, 65, retired executive of Willcox Peck & Hughes, New York brokerage firm, died in Morristown, N. J., Memorial hospital after a short illness. He resided in Bernardsville, N. J.

M. H. GRAY, 71, father of T. M. Gray, executive secretary of Ohio Assn. of Insurance Agents, and grandfather of T. M. Gray Jr., a member of the Ohio senate and local agent at Piqua, died. He was an electronics engineer.

GAULDEN L. SMITH, 67, local agent of Hattiesburg, Miss., died there after a long illness.

R. G. ZOLLER, vice-president of the Gustav May agency of Cincinnati, died after a long illness.

D. J. BURK, 74, general insurance agent at San Angelo, Tex., died two weeks after undergoing surgery. He established the Burk agency at San Angelo in 1916.

HERMAN R. BURKE, 88, who retired in 1932 as Pacific coast manager of Royal-Liverpool, died at his home in Pleasanton, Cal. Mr. Burke joined

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NEW YORK 33, N. Y.—99 John Street, Room 1103, Tel. Beekman 3-2953. J. T. Curran and Clarence W. Hammett, New York Managers.

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ATLANTA 3, GA.—432 Hurt Bldg., Tel. Murray 8-1634. Fred Baker, Southeastern Manager.

BOSTON 11, MASS.—207 Essex St., Rm. 421, Tel. Liberty 2-1402. Roy H. Lang, New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. R. J. Wieghaus, Resident Manager.

L.&L.&G. as a special agent in 1893. He became assistant coast manager in 1917 and succeeded the late Rolla V. Watt as manager in 1917. He was oldest living member of the Fire Underwriters Assn. of the Pacific.

FRED W. NAUERT, 71, retired local agent at Boscoel, Wis., died at his home. He and his brother, Henry, operated the Nauert agency at Boscoel for 20 years. The agency was founded by another brother, Robert, who is now president of Pioneer Life and George Rogers Clark Mutual Casualty of Rockford, Ill., and Personal Indemnity of Milwaukee.

JOHN H. JOY, 67, Boston and Winchester, Mass., broker, died in Boston.

MRS. ETHEL B. EMERY, 73, widow of Col. John G. Emery, former Michigan commissioner, died at Burton Osteopathic hospital in Grand Rapids, Mich. Col. Emery, who was national commander of the American Legion prior to his appointment as commissioner, died in 1946.

HERMAN J. PELSTRING, chairman of the board of Pennsylvania Lumbermen's Mutual, died in Fitzgerald Mercy Hospital, Philadelphia. He resided in Springfield, Pa. He joined the company more than 45 years ago, and was elected president and general manager in 1938 and chairman in 1954.

Court Upholds Beery on License Suspension

District Judge Frantz at Denver has upheld the one-year suspension of license in Colorado of Property Owners Mutual of St. Paul, the turkey insurance specialist, which had brought suit to stop Commissioner Beery from carrying out his March 9 suspension order. The commissioner had charged the company with failure to submit policy forms and using representation in Colorado of a non-resident agent. Testimony indicated the insurer had attempted to stop the non-resident agent from representing it.

Mercer County (N.J.) Assn. of Insurance Agents will hold its annual golf tournament dinner June 14 at Forsgate country club, Jamesburg, N. J.



The Kemper companies were host at breakfast during the American Management Assn. spring insurance conference in New York City to more than 200 persons. Here, from the left, Norris C. Flanigan, executive vice-president of Lumbermens Mutual Casualty and American Motorists, is shown with Nelson D. Malone of Revere Copper & Brass and F. W. Norcross of Budd Co.

IMUA, IMIB Hold Annual Meetings

The past year has been an historic one, Harold L. Wayne, general manager, reported at the annual meeting of Inland Marine Underwriters Assn., because of the appearance of order out of disorder in the multiple peril package field. He referred particularly to the development of the mercantile block form. Inland Marine Insurance Bureau held its meeting at the same time and same place, Shawnee, Pa.

P. W. Scheide of Phoenix of Hartford was elected president of IMUA, Harold Jackson of William H. McGee & Co., vice-president, and T. B. Kelley of Commercial Union, chairman of the executive committee. Mr. Wayne was renamed, along with J. G. Bill, assistant general manager.

New members of the executive committee are S. C. Bird of Talbot Bird & Co., H. W. Casler of North British, C. E. Holloway of National Fire, John Dillard of Fireman's Fund, E. J. Perrin of Aetna Casualty, R. H. Bancroft of St. Paul F. & M., R. T. Haycock of Travelers Fire and E. A. Ahnberg of Bissell of Fire Assn.

Mr. Casler was elected chairman of the executive committee of IMIB, and Mr. Wayne and Mr. Bill were elected to identical positions as with IMUA. New members of the executive committee are F. A. Aiken of Aetna Fire, Mr. Bancroft, Mr. Haycock, R. L. Maxwell of Home, Mr. Perrin, C. A. Kirkland Jr. of Crum & Forster, and Raymond Shepard of Fire Assn.

The concurrent filings by fire, casualty and inland marine segments of the business of forms, rates and rules for mercantile block were the culmination of the efforts of several years for a return to early progress, Mr. Wayne stated. The block filing has been made in 40 rating jurisdictions and already has been approved in 36 of them. He praised the industry-wide cooperation shown by the voluntary withdrawal of many independent filings already approved for both stock and mutual insurers, and the helpful attitude of so many insurance departments. This augurs well for the future, he said.

He called attention to the report of the committee on incendiarism and arson being made at the annual meeting of National Board, which investigated 574 inland marine cases during 1955 with total recoveries of \$363,353.

Wiemold Elected Security Mutual Casualty Secretary

Alvin J. Wiemold has been elected secretary and a director of Security Mutual Casualty to succeed Robert M. Moore, who is retiring in June.

John F. Power was named assistant secretary and head of the legal department.

Mr. Wiemold has been an accountant since 1920 and was named head of the accounting department and assistant secretary in 1952.

Mr. Power joined Security Mutual Casualty in 1948 as trial attorney.

Form National Association of Crop Insurance GA's

L. E. Yocham was elected president and C. D. Waddell, Jr., vice-president of the newly organized National Assn. of General Agents for Crop Insurance. Mr. Yocham is president of the Tri-State General Agency of Denver, and

Mr. Waddell is president of Williams & Waddell, a general agency in Columbia, S.C. The organizers, who met in Houston, are general agents writing crop-hail insurance. The association was formed for exchanging information respecting underwriting and loss adjustments, as well as supplies, advertising and office procedure.

No secretary or treasurer was chosen but it is expected that the organization will be completed at the next meeting, to be held in Chicago sometime this fall.

Wichita Casualty & Surety Group Hears Lawyer

Lawrence Weigand, Wichita attorney, was the speaker at the May meeting of Wichita Casualty & Surety Assn. He discussed the legal phases pertaining to grain warehouse bonds and the history of such cases as they progressed through bankruptcy courts.

The annual picnic will be held June 8 at the Legion Acres club.

HIAA Appoints Lawyer

Health Insurance Assn. of America has appointed Alec Mackenzie an attorney on the legal staff at Chicago.

Mr. Mackenzie has been with a law firm in Chicago. He previously was executive secretary of Young Republican National Federation and legislative assistant to Sen. Wiley of Wisconsin.

Appeal Mich. Ruling on Employee Theft

SAGINAW, MICH.—Century Indemnity has appealed to the Michigan supreme court the recent decision by Judge O'Neill of Saginaw circuit court that a burglary policy covered "inside theft" if committed after hours of regular work by an employee.

Century Indemnity paid \$1,204 to Leo Schmick, proprietor of a service station at Saginaw, following his loss in 1952, but sued to recover the money when Jack A. Emede, an employee, was convicted for the break-in and theft. The company contended that under the policy it was not liable for "loss, destruction or damage caused by any dishonest, fraudulent or criminal act of any employee."

Judge O'Neill ruled that any such exempted act meant only during the employee's working hours and not at other times.

Allstate Moves Midwest Office

The midwest zone office of Allstate has been moved from Skokie to new quarters at 3774 W. Devon avenue, Chicago. The zone office, under the direction of Joseph E. Henry, vice-president, supervises operations in a 14-state area which includes regional offices in Skokie, Indianapolis, Detroit, Milwaukee and Kansas City.

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Illinois Bureau of Casualty Insurers Elects Neyhart

Illinois Bureau of Casualty Insurers, meeting last week at Springfield, elected C. H. Neyhart, Economy Fire & Casualty, as president, succeeding A. F. Koring of Suburban Casualty. L. J. Desmond, Union Auto Indemnity, was named 1st vice-president; J. Kerper, Employers Mutual Casualty, 2nd vice-president; J. Jordan, Minnesota Mutual Fire & Casualty, secretary, and C. C. Herrmann, Motor Vehicle Casualty, treasurer. S. Alexander Bell is manager, and the Chicago law firm of Meyers & Matthias are counsel.

The program was given over to business sessions the first day and entertainment at Illini Country Club in Springfield the second day.

During the business session, with Mr. Koring presiding, E. J. Thau, manager of Illinois Automobile Assigned Risk Plan, gave a report on his activities; R. H. Matthias of Meyers & Matthias discussed the legislative outlook, and there were two panels, one on claims and the other on underwriting. E. H. Lasseter, Illinois National, gave a talk on claim problems preceding the panel discussion, which was moderated by Mr. Herrmann, and T. F. Campbell, State Farm Mutual, offered a series of questions on underwriting problems and the application of electronics to underwriting preceding the underwriting panel, which was moderated by J. C. Bishop of Ohio Farmers.

There has been some dissatisfaction in the administration of the all-industry type of rating law, Mr. Matthias said in his remarks. Some departments have tended to require more uniformity in rate making and statistic filing than the law would seem to require. In Illinois particularly, he remarked, the National Bureau has found it "exceedingly difficult" to get a rate increase in automobile liability rates. Sometimes it is equally as difficult for an insurer filing its rates independently to secure a decrease, he observed.

As an example of the tendency of some departments to require uniformity, he mentioned Kentucky, which he said believes it has the authority to require uniform policies, contending this is necessary so as to obtain a common base of coverage from which uniform loss statistics can be compiled. There is a bill in the South Carolina legislature to require uniformity of rates and classifications for assigned risks.

Dissatisfaction of the companies with these and other department practices have led to the speculation of legislative amendments to the all-industry rating laws, Mr. Matthias said, although there is no concerted action in this direction so far.

He indicated he favors the inclusion in these laws of the California definitions of excessive and inadequate. These definitions provide no rate shall be held to be excessive unless it is unreasonably high for the insurance provided and a reasonable degree of competition does not exist with respect to the classification to which such rate is applicable. No rate could be held inadequate unless the rate is unreasonably low for the insurance provided and the continued use of it would endanger the solvency of the insurer or would have the effect of destroying competition or creating a monopoly.

The Missouri type of rating law has been considered a substitute for the

all-industry law, Mr. Matthias said. Missouri requires no rate filing, although the statute prescribes the methods for making rates and says they shall not be excessive, inadequate or unfairly discriminatory. The California definitions are included in the law.

Adoption of compulsory automobile insurance law in New York may accelerate the trend in certain insurance departments toward uniformity and rating practices, Mr. Matthias remarked. It is essential that the companies guard the freedoms they have under the present laws, and if necessary sponsor amendments to them to protect themselves.

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XUM

Five States to Impose 25% Limit on Dealer Incidental Stock

NEW YORK—Five of the states which authorize the inland marine "seven sins" dealers policies will impose a 25% limitation on incidental stock, following a new interpretation (No. 90) by the committee on interpretation of the nationwide marine definition. The limitation was first set up under interpretation No. 21 and restricts the use of camera and musical instrument dealers floaters and the furriers block policy to risks having at least 75% of their average annual stock values in the applicable class.

The insurance department of one of the states which permits the seven inland marine dealers policies—household appliances, office machinery and supplies, heating and air conditioning equipment, sporting goods, industrial machinery and tools, professional and scientific instruments and marine supplies—asked the committee whether the percentage restriction should not also be made applicable to the "sins." The answer was that it would be "salutary and logical" to do so.

Delaware, Florida, New Jersey, Ohio and Vermont adopted this interpretation. Kentucky turned it down and Wisconsin has not yet reported its decision under its similar marine definition. Iowa, Oklahoma, Texas and the District of Columbia—in which the seven classes are also filed by Inland Marine Insurance Bureau—are not "definition states." Nebraska accepts these classes as inland marine and the definition as a guide, but apparently was not queried on its position concerning the percentage requirement.

The state which originated the percentage inquiry also asked whether the exclusion of improvements and betterments, furniture and fixtures and machinery and tools which applies under the section of the definition authorizing camera and musical instrument dealers floaters and furriers block should be applied to the seven other dealers classes. Similarly, should the seven include or exclude electrical signs? To this the reply was that 10 of the 12 states which permit these dealers policies also permit including furniture, machinery, etc., neon, automatic or mechanical electrical signs are within the definition. In other words, there is no intent to withdraw the mentioned exclusions on camera and musical instrument dealers floaters and furriers block, but, it is all right to cover them under the policies for the "seven sins," if the state insurance department says so.

Brokers Vote to Oppose Compulsory

National Assn. of Insurance Brokers reelected Hal D. Willson of San Francisco president at the annual meeting in Boston.

G. Edward Nichols of New York and Clyde H. Scott of St. Louis were named vice-presidents. Alexander Heid Jr. of New York was elected treasurer and Barclay Shaw of New York secretary. The association voted to oppose adoption of compulsory auto and to suggest improvements in state financial responsibility laws.

North America to Start TV, Newspaper, Magazine Promotion

North America is starting an extensive sales promotion, public relations and advertising program, featuring a month-long sponsorship of the NBC-TV Dave Garroway program and advertisements in 450 newspapers across the country.

Dave Garroway will deliver the TV commercials on his morning show, "Today," on homeowners and tenants package policies. The newspaper ads will tell the same story but will stress the services of the independent agent. Public relations ads in *Saturday Evening Post*, *Readers Digest* and *Newsweek* will stress the company's principles and their relation to the free enterprise system. Other ads in business journals will be aimed at banks, bankers, contractors, private plan owners and others. Some will be prepared by Raymond Moley, columnist.

The newspaper and TV series will run through June, while the magazine and business journal promotion will continue throughout the year.

SEUA Advances Pye, Gatewood in Atlanta

Southeastern Underwriters Assn. has promoted H. Norris Pye from chief engineer to secretary and Richard L. Gatewood from assistant chief engineer to chief engineer at Atlanta.

Mr. Pye joined the association in 1928 and Mr. Gatewood in 1926.

National Board Holds 90th Meeting

NEW YORK—Arthur K. Watson, president of IBM World Trade Corp., was the principal speaker at the dinner following the 90th annual meeting and election of National Board in New York May 24.

N. Y. Approves Tenants Rates, Rules Filings

New York department has approved effective May 7 filings of rates and rules for the new tenant's endorsement to homeowner's B by Multiple Peril Insurance Rating Organization. The new form will offer tenants essentially the same advantages of package cover available to homeowners. All other states, except Wisconsin, have approved the filings.

NACCA Holds Workshop

MILWAUKEE—A one-day workshop on personal injury trials was held here last week under the auspices of Marquette University law school and National Assn. of Claimants' Compensation Attorneys.

Co-chairmen were Reynolds Seitz, dean of the law school, and Jesse J. Habush, NACCA board member. Marvin M. Belli of San Francisco, dean of International Academy of Trial Lawyers, directed a medical-legal seminar.

Opens CPA Office in W. Va.

Douglas T. Fuller, formerly with General Adjustment Bureau, has opened an office as a certified public accountant in the Huntington National Bank building, Huntington, W. Va.

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FIELD

Three Kansas Field Groups Meet, Elect

Irvin H. Thomas of Aetna Fire was elected president of Kansas Fire Underwriters Assn. at the annual meeting in Wichita which was the first of three meetings for state field groups held on consecutive days last week. Mr. Thomas succeeds J. K. Rippetoe of St. Paul F&M. group.

J. Max Marshall of Hartford Fire was named vice-president and Jack E. Landreth of St. Paul F&M. was elected secretary-treasurer.

At the meeting of Kansas pond of Blue Goose, Kenneth J. Stoike of National Fire was named MLG to succeed Paul C. Foster of Western Adjustment. Other officers are: Frank Regier of Corroon & Reynolds, supervisor; Herbert J. Schoeppe of Commercial Union-Ocean group, custodian; Dean B. Snapp of National Fire, guardian; J. Max Marshall of Hartford Fire, keeper, and O. D. Butcher, retired Hartford field man, wielder. Mr. Stoike and Mr. Butcher were named delegates to the grand nest. The pond initiated 11 new members and presented to members a history of the pond, containing biographies of 215 members.

William C. Bock of Royal-Liverpool was elected president of Kansas State Fire Prevention Assn. to succeed R. J. Kille of Hartford Fire. Robert L. Epperson of Kansas City F&M. was named president-elect and A. B. Schumacher of Aetna Fire was reelected secretary-treasurer.

Virginia Field Men Elect Cole President

John C. Cole of Fire Association has been elected president of Stock Fire Insurance Field Club of Virginia. Other new officers are Stuart K. Frayser of Springfield F&M., vice-president; G. A. Sprinkel of Loyalty group, secretary, and C. B. Marshall of Phoenix of Hartford, T. S. Parsons of Virginia F&M., J. H. Hosier of National Union, R. D. Briggs of Home and J. G. Spence of Springfield F&M., executive committee members.

E. D. Sommers, assistant secretary of Virginia Insurance Rating Bureau, spoke on the bureau's recent filing of extended coverage rates with Virginia corporation commission.

Security-Conn. Names Hammond in Conn.

Thomas F. Hammond has been appointed special agent of Security-Connecticut to assist K. V. Jackson travelling the western part of Connecticut. His office will be at the home office.

Mr. Hammond joined Security in 1952 in the accounting department and has since been an underwriter in the marine, fire and fidelity and surety departments.

Carney to Pa. Field

Sun has named Richard Carney Pennsylvania state agent, with headquarters at Philadelphia, to succeed the late William Frazier. Mr. Carney has been in the underwriting department in the home office for several years.

Dithmer to Address Ind. Group

Walter Dithmer assistant manager of Western Underwriters Assn., will speak to Indiana Fire Underwriters Assn. on May 28 at the Washington hotel, Indianapolis.

Cook County Field Men Elect Petersen President

Cook County Fire Underwriters Assn., the baby among midwest field groups which in its five-year existence has grown into a strong and aggressive organization, elected Wilton E. Petersen, Royal-Liverpool, president at the annual meeting and golf outing held at River Forest Country Club near Elmhurst, Ill. He replaces George A. Grieshaber, Home.

Other officers are Harry A. Olsen, Sun, vice-president; James M. Eadie, Home, 2nd vice-president, and Edward F. Werner, Loyalty group, secretary. New executive committeemen are George Horne, Home; W. T. Porter, Aetna Casualty, and E. H. Wagner, New Amsterdam Casualty.

The business meeting included committee reports discussion of the coming year's program and an address by Walter G. Dithmer, assistant manager of Western Underwriters Assn., who evaluated many of the problems facing the field man today.

The association presented its strongest program the past year, highlighted by a series of educational meetings at which coverage innovations were explained in detailed fashion. The public relations activities also reached a new high.

Elbert Retires from Phoenix, Conn., in Tex.

Milton L. Elbert, executive state agent of Phoenix of Hartford at Dallas, has retired after 36 years in the field. He entered insurance with Cravens & Cage, which became Cravens, Dargan. He joined Phoenix of Hartford in 1921 as a special agent in west Texas and from 1923 to 1935 he traveled Arkansas. He returned to Dallas in 1935 and became state agent in 1942 and executive state agent in 1954.

He was guest of honor at a banquet given at the home office at which John A. North, president of the company, and Harold M. Grant, vice-president, were in charge. He will be given a silver salver inscribed with the names of company field men in the south.

American Makes Field Changes in Tenn., O.

American has transferred Robert V. Gulgusky from Knoxville to Miami, where he replaces State Agent E. Fred Gaskins, who has resigned. The company has also appointed John Luddy special agent at Dayton.

Mr. Gulgusky's office will be at 1008 Seybold building, Miami. Mr. Luddy, who will be associated with Special Agent Howard L. Dobbs, will have headquarters in the Columbia building. He was formerly an underwriter at the home office.

West Virginia Blue Goose Annual Splash May 27-29

West Virginia pond of Blue Goose will hold its annual meeting at Granville, O., May 27-29. Bernard F. Flood, Royal-Liverpool group, is most loyal gander. A banquet will be held Monday evening and a golf tournament is scheduled for Tuesday afternoon.

The ladies auxiliary will meet at the same time. Mrs. Flood is president.

Conn. Field Club Names Pinkney New President

Connecticut Fire Insurance Field Club has elected John E. Pinkney of Phoenix of London president, Walter E. Schiller of Great American vice-president, Carl L. Plock of Royal-Liverpool treasurer and Millard F. Thatcher of Crum & Forster secretary. The club has started a public rela-

tions program with local boards of Connecticut Assn. of Insurance Agents. One field club member will assist each local board in PR activities.

Springfield F&M. Names Two Cal. Special Agents

Springfield F&M. has appointed Stanford Huntsberger casualty special agent in Los Angeles and Donald K. MacBeth casualty special agent in San Diego and the Imperial Valley area.

Mr. Huntsberger has been special agent for Great American Indemnity and is a past president of Casualty & Surety Fieldmen's Assn. of Southern California.

Mr. MacBeth has been special agent for Indemnity of North America in northern California. His headquarters will be in the Spreckels building with Oliver G. Bolton, superintendent of agencies.

Employers Names Lind to Cape Cod Field

Employers group has appointed Norman E. Lind special agent in the Cape Cod area of the companies New England agency department.

Peerless Names Jackson So. Texas Special Agent

D. N. Jackson has been appointed south Texas special agent by Peerless. He is presently with Peerless in Dallas.

Prior to joining Peerless in Texas, Mr. Jackson was with the Lone Star general agency of Houston as special fire and casualty agent. He has also served as Arizona state agent for ICT and branch manager for Traders & General in San Diego.

American-Associated Names Berry in Ark. Field

Thomas S. Berry has been appointed field underwriter for American-Associated at Little Rock, Ark.

Mr. Berry has been with Insuror's of Fort Smith, Ark., for two years as special agent. Prior to this, he operated his own agency for five years in Muskogee, Okla.

Springfield F&M. Names J. L. Platt in Okla. Field

Joseph L. Platt has been named special agent in Oklahoma for Springfield F&M. and will make his headquarters with Special Agent Buddy Hollingsworth at Oklahoma City.

Mr. Platt operated his own agency at Moore, Okla., during his college years. He will service the western half of the state.

Aetna Names Hinman Casualty Head in Iowa

Aetna group has opened a casualty service department in Des Moines, Ia., and has named Donald E. Hinman supervisor. State Agent Arthur E. Holt will continue to have full supervision of the state along with W. C. MacDonald and V. M. Day, special agents.

Mr. Hinman has been with other casualty companies in Des Moines.

Mississippi Pond Elects J. D. Holland MLG

Mississippi Pond of Blue Goose elected the following officers at the annual meeting: J. D. Holland, St. Paul F&M., most loyal gander; Wesley E. Godwin, W. A. Sullivan general agency, Jackson, supervisor; Jack P. Thame General Adjustment Bureau, custodian; Munson C. Neyland, Mississippi Rating Bureau, guardian; Charles M. Sours, North British, keeper, and Jack P. Gallagher, Jackson general agent, wielder.

Mich. Fire Prevention Assn. Elects Hyde

John F. Hyde of Hartford Fire was elected president of Michigan State Fire Prevention Assn. following a two-day inspection of Kalamazoo. He succeeds Frank G. Westerman of Boston.

Other officers are Arthur L. Gunderson of Northern Assurance, vice-president; David H. C. Morris of Great American, secretary, and Jack Macy of Buckeye Union, treasurer.

Association members assisted by 50 firemen and 29 Boy Scouts inspected 740 risks, found 594 defective and made 1,894 recommendations. Talks to 8,752 students were made by Wallace R. Wakeman of Home, John H. Rich of Hanover Fire, Samuel Gray of New York Underwriters and George K. Simpson and James C. McKinley, both of Aetna Fire. There were also 31 showings of fire prevention films.

Richard E. Vernor, fire prevention department manager of Western Actuarial Bureau, in a luncheon address, praised the city for its national recognition as a fire prevention center and made special mention of the fact that the Kalamazoo Gazette was last year's winner of National Board's gold medal.

Aetna Fire Names W. H. Kimball in N. M.

Will H. Kimball has been appointed special agent in Albuquerque by Aetna Fire. He will be associated with Earl Neville, New Mexico state agent with headquarters in the Insurance building.

N. J. Fire Prevention Group Elects Walthour President

Fire Prevention Assn. of New Jersey elected George T. Walthour, Bankers & Shippers, president at the annual meeting. R. E. Burdick, American Automobile, was named vice-president, Joseph W. Ritger, Royal-Liverpool, secretary, and C. Neville Wight, Great American, treasurer.

Collins to N. J. Field for London Assurance

London Assurance has appointed John J. Collins state agent in northern New Jersey succeeding Harold Bradley who has resigned.

Phoenix, Eng., Names Albany Special Agent

Albert C. Copeland has been named special agent at Albany by Phoenix of London group. He will work under the direction of William Streets, manager.

Ward to Alabama Field

William G. Ward Jr. has joined Brame, Ward & Hancock general agency of Montgomery, Ala., as special agent. He previously has been in training with London & Lancashire.

W. Va. Field Club to Meet

Field Club of West Virginia will hold its semi-annual meeting at Granville, O., May 29. Carroll Widman, Home, is president.

Georgia Pond to Meet June 4

Georgia pond of Blue Goose will hold its annual meeting and election, June 4, at the Slaton Legion post, North Fulton Park.

St. Louis Pond Annual May 28

St. Louis Blue Goose will hold its annual meeting and election May 28. A new flock of goslings will take their first swim and motion pictures will be shown of the Grand Nest of 1955.

A & S

Chicago Roundtable Now Ill. A&S Forum; Letzsch New President

Chicago A&H Underwriters' Roundtable, after more than seven years' existence as an informal discussion group, at its May meeting adopted a new constitution, changing its name to Illinois A&S Underwriters Forum, and elected new officers.

The new leaders are Walter Letzsch, Central Standard Life, president; Edward Ryan, Municipal, 1st vice-president; Robert Flory, Continental Assurance, 2nd vice-president; Jack Robinson, Prudential, 3rd vice-president; Al Rose, Retail Credit, treasurer; Kenneth Reed, Hooper Holmes, recording secretary, and Verne Walker, American Service Bureau, corresponding secretary. The three vice-presidents will also serve as chairmen of the programs and arrangements, publicity and public relations, and membership and attendance committees respectively.

The constitution, adopted by unanimous approval of the 36 members present, is the product of the constitution committee and competent and recognized legal assistance in the field, and was so conceived that any other city or state group of A&S underwriters can adopt it for their own use merely by changing the name.

Membership in the forum shall be on an individual and not a company basis. Any person presently or formerly engaged in underwriting or any other servicing function of A&S insurance and any person connected with companies, publications or trade associations in the A&S insurance industry shall be eligible for membership. Those persons joining the forum at the May meeting through the June 21 meeting will be charter members.

Herb Nietzold, Bankers Life & Casualty, retiring chairman, was the prime mover for the adoption of a constitution, and the committee working with him on formulating the document along with selecting the slate of officers was comprised of Leona Davis, Guarantee Reserve Life, Hammond, Ind.; Mr. Letzsch; James Warnken, Modern Life & Accident, and Mr. Robinson.

Movies and entertainment were held after the business meeting.

N.C. Hospital Assn. Appeals Gold's Order

State Hospital Assn. of North Carolina has appealed to Wake county superior court the order of Commissioner Gold which set forth requirements the association must meet if it is to convert into a stock A&S company. The association contends that Mr. Gold exceeded his authority in the order and based his decision on insubstantial evidence and facts which, it states, do not constitute a legal basis for the order.

Wolverine Enters A&S

Wolverine of Battle Creek has entered the accident and sickness insurance field. The first introductory meeting for Michigan field men was held in the home office, and other state meetings will follow. Wolverine is now a full multiple line writer, but only 10 years ago automobile was the principal line.

The first two of five A&S policy sales kits are now being introduced to Wolverine agents. The only A&S policies to be written by Wolverine are the basic, popular ones generally requested by casualty agents.

'END FUND SUPPORT'

Charges Hospital Promotes Business for Blue Cross

The 23 local associations of Indiana Assn. of Life Underwriters have been urged to refuse their support of fund drives for hospital and medical foundations until physicians and hospitals "stop giving favored treatment" to Blue Cross and Blue Shield.

This action was recommended at the annual meeting of the Indiana association in Indianapolis by R. W. Osler, publicity chairman for the association. The meeting responded by appointing a committee to draft a resolution in keeping with the report. Such action would affect the association's sponsorship of the Heart Fund drive in Indiana, which it organized last year and has been asked to organize again this year.

The report recommended that agents and agents' associations refuse to cooperate in fund drives until Indiana medical and hospital associations make their members either remove Blue Cross literature from waiting rooms or else permit other licensed A&S insurers to display similar bids for business. Mr. Osler's report also insists that hospital associations require their members to hand each patient a printed notice that the hospital does not recommend any one plan of insurance over another. The report asks that hospital staff members be forbidden to make recommendations or comparisons of Blue Cross-Blue Shield coverages in relation to the A&S plans of insurance companies.

Mr. Osler, who is vice-president of Rough Notes Co., reported that he recently interviewed the administrator of a hospital who admitted that the hospital loses \$9 a day on every Blue Cross patient; that is, that it receives \$9 less from Blue Cross than it charges cash customers or patients privately insured. When asked how the loss is made up, the administrator reportedly replied, "In part from the foundation."

Landlords Sure of Rent Through Novel A&S Plan

A novel application of credit A&S has been made by California Life through a new tenant's security plan.

The coverage is purchased by the building owners on their tenants to prove payment of rent in the event the tenant's income is lost through injury or sickness. Payments begin the second month after commencement of disability and continue for as long as 12 months. To pay for the insurance, an average monthly rent of \$75.00 would be increased to \$76.50.

A&S Trend Is to Sell Protection, Not Benefits

Hospital coverages of the future will be more like today's major medical coverages, probably with lower deductibles and higher maximums, even up to unlimited maximums, Jack Rawles, 2nd vice-president, Lincoln National Life, told the May meeting of Indianapolis A&H Assn.

"The trend today," Mr. Rawles said, "is away from selling benefits and toward selling protection. However, a hard job of getting the public weaned away from the first dollar benefit lies ahead, particularly with unions, who want such benefits. Moreover, before the public can be educated, the agent himself must be sold on the advantages of protection over benefits. Once he is

sold, he will be able to sell the public."

Mr. Rawles said the FTC investigation of A&S advertising turned out to be a big disappointment. "When it started, most of us welcomed it. I remember how we in our office went about collecting examples of our advertising and sales literature and gladly submitted them, thinking FTC would come back to us with suggestions and recommendations that would result in clarifying A&S advertising. We thought wrong. Instead of coming back to the companies, the FTC went straight to the newspapers." However, Mr. Rawles said, when the present trends toward protection instead of benefits have become fixed, "there will be no more excuse for FTC in our business."

Metal Trades Offers Major Medical-Group Life-AD&D Plans

Two new group insurance plans, said to be the first combining major medical expense insurance with group life and accidental death and dismemberment coverage, are being offered to the 1,300 member companies of National Metal Trades Assn. Robert W. Preston, formerly with Schiff, Terhune & Co., is manager of the association's recently organized insurance department.

The plans have been developed to supplement existing coverage by individual companies for their employees. However, reaction to date has indicated that many smaller companies in the association prefer the new plan to plans which they might purchase alone because of the liberal benefits available at substantially lower cost.

Participation in the new program will enable small firms employing as few as 10 persons to provide up to \$10,000 major medical expense as well as life and AD&D for employees. No member company is required to have a specified minimum number of eligible employees, the only requirement is that all employees of a class must be eligible. The new plans are expected to become effective June 1.

Limitations of S.C. A&S Law Explained

The new A&S law in South Carolina does not limit A&S benefits to actual expense, contrary to the report in the April 20 issue. The limitation comes into play only when there is other insurance about which the company has not received written notice. If there is other insurance providing benefits on an expense incurred basis, and the insurer has not been given written notice of it, then the actual expense incurred is pro rated between the two companies.

If there is other insurance which provides benefits on other than an expense incurred basis and no written notice has been given the insurer, the liability of the insurer is limited to a pro rata part of the amount of indemnities of which the insurer did have notice.

There is a limitation concerning the amount of loss of time benefits which states that insured shall not collect more than he was actually earning at the time the disability commenced, or more than his average monthly earnings for the period of two years, whichever is greater. Regardless of how this section of law operates, the amount of benefits payable under all such coverage shall not be below \$200, or the sum of the monthly benefits, whichever is less.

Chicago A&S Group Plans Annual

Chicago A&H Assn. will hold its annual banquet May 24 in the LaSalle hotel.

John P. Hanna, general counsel of Health Assn. will be the featured speaker. Hypnotist Edward Barron will provide after dinner entertainment.

1956 Time Saver Covers Full Range of A&S Changes

Agents who make use of the new 1956 edition of the *Time Saver* for accident and sickness insurance, just published by the Accident & Health Bulletins of the National Underwriter Co., will find in its pages plenty evidence of continued progressive developments by companies in providing individual commercial and non-cancellable A&S coverages keyed to the current needs of the American people. The book, compiled annually for use by agents and now in its 33rd edition, contains 1,000 pages of descriptions of contracts issued by nearly 100 companies, and other pertinent data. Its price is \$6.50 a single copy.

Many new contracts are in evidence. Policy information of about 70% of the represented companies has been changed or augmented since last year's *Time Saver* was published. Notable are many new forms issued to conform with the Uniform Policy Provisions of 1950, additional major medical expense contracts, and non-cancellable policies of more companies that have entered that field in the past year. Also in evidence is the continued trend toward more liberal coverages, the extension of age limits, increases in benefit limits, and longer indemnity periods for loss-of-time and hospital expense coverages.

The book is easy to use. It starts with an explanation of how to get the most from its contents. There are two indexes, a company index and a policy index. The policy index has convenient cross references to various kinds of coverages of special interest, such as lifetime sickness, over-age, major medical, etc. Policy descriptions include coverages, exceptions, premiums for all ages, limits, and supplemental data. Cross references are given as to riders that apply to each policy, and the riders are also described.

Among other information are analyses of disability clauses in life policies of about 170 leading companies, and premiums and losses for 1955 of about 700 companies, with separate listings of non-cancellable and group.

Continental Casualty A&S Field Men Meet at Chicago

More than 300 A&S field representatives of Continental Casualty gathered at Chicago this week for a "homecoming" meeting with the new company chairman, Roy Tuchbreiter, and the new president, J. Milburn Smith. The agenda, principally non-business, included a tour of the home office so the field staff could visit with members of the various departments.

In a short banquet talk, Mr. Smith said the company intends to uphold its reputation as a coverage innovator, anticipating needs of the insuring public so that it can be among the first to offer new policies. He emphasized that never before has there been a more pressing need for aggressive merchandising methods in the sale of A&S. A continuing goal of the company, he added, will be to supplement its broad range of A&S policies with hard-hitting sales aids.

A special pictorial issue of the company's A&S publication was put out during the meeting.

N.J. Bills to Extend Blue Cross

New Jersey state senate has unanimously approved and sent to the assembly bills permitting Blue Cross to extend its coverage to hospitalization connected with dental work and to convalescent care in nursing homes.

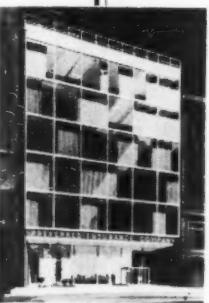
PREFERRED INSURANCE COMPANY

INDEPENDENT MULTIPLE LINE STOCK INSURER

Competitive Independent Insurance Facilities

BROAD FORM
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GENERAL CASUALTY LINES
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Licensed in 37 States and Hawaii



Our New Home Office
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*Experienced Underwriting
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Farmers and Merchants
Insurance Company

All
MULTIPLE LINE



Home Offices

Tri-State Insurance Building

Tulsa, Oklahoma

Vt. Midyear Draws 250; Agents Adopt Advertising Campaign

More than 250 agents and company men attended the midyear meeting of Vermont Assn. of Insurance Agents at Woodstock. The group voted unanimously to begin an advertising campaign for local newspapers and radio stations which will stress the service of local agents.

Cost of the campaign will be divided equally between six Vermont agency mutual fire companies and association members. The companies are Vermont Mutual Fire, Union Mutual Fire of Montpelier, Granite Mutual, State Mutual of Rutland, Green Mountain Mutual and Burlington Mutual Fire. The association will assess each member an additional 75% of its graded annual dues to raise the money.

The advertising program was outlined by Walter T. Aher of Ludlow, president of the association, Frederick A. Field of Rutland, public relations chairman, and Stuart Warr, Vermont advertising man. The theme will be the same as the advertising campaign in Connecticut, "You're a Neighbor, Not a Number, to Your Hometown Insurance Agent." Copy will be written specially for Vermont. Ads will be placed in 10 Vermont dailies, 17 weeklies and eight radio stations.

The two most pressing problems facing the agency system are motor vehicle accidents and specialty company competition, F. D. Handley, vice-president of Hartford Accident, told the agents in his discussion.

The answer to the problems must lie in the kind of selling job the agent does on the public—first, to convince the public that accidents are its problem, and second, to convince the public that when it comes to insurance, the agent can do the best job.

No amount of legislation or education can be effective in lowering the accident rate, he said. The public has to raise its voice. The agents have a responsibility to deal with the problem through local clubs, civic associations and other groups.

Mr. Handley remarked that specialty companies are cashing in on the demand for automobile cover which was largely created by the agents. Capitalizing on their price differential, the specialty companies get repeat orders on the independent agents' business, he said.

Agency companies are not letting the agents carry the ball alone, he continued. They are improving coverages and rates and maintaining training centers for agency personnel to reviewed activities of NAIA.

help the agent combat the direct writer. The companies must continue to sell quality protection, charge proper rates and seek the maximum distribution of policies through independent insurance producers, he said.

Mr. Handley called on agents to back the fight with better service and more personal contact. Service, he said, involves a regular program of evaluating the policyholder's insurance needs, informing the policyholder of new available covers and explaining the features of the protection being sold. It involves account selling, not policy peddling, he said. Agents should personally see new prospects and present clients.

At the agents' forum Samuel J. Hatfield of the Vermont division of New England Fire Insurance Rating Assn., and Ronald C. Shipley, Portland manager of National Bureau of Casualty Underwriters, spoke.

Mr. Hatfield emphasized that agents should help insured in keeping automatic sprinkler systems in good working condition by checking them periodically. Two men have been assigned to his division's improved risk department to handle the 700 buildings equipped with automatic sprinkler protection in Vermont, he said these men not only review and approve plans for new sprinkler installations, but make periodic inspections of all the sprinklered buildings. In the past year such inspections resulted in nearly 3,000 new sprinklered rates being promulgated, he said.

Agents can advise insured that only persons experienced in automatic sprinkler systems be employed to make adjustments or repairs and that painters not paint sprinklers, he said. Once sprinklers have been painted, his department is required to call for full replacement.

If corrections to the tariff and to the manual of rules were promptly made and new instructions followed, agents would get 60% fewer criticisms, Mr. Hatfield said. The use of incorrect rates results in a very high percentage of the number of criticisms issued.

Mr. Shipley explained that when an additional car is to be added to an assigned risk assignment, an agent can ask the company on the risk to add it. The company may insist on a new application, but the additional car will be assigned to it.

Other speakers were Howard W. Casler, deputy assistant U.S. manager of North British, on mercantile block policies, Wesley G. Angell, claim manager of Mutual Fire Insurance Assn. of New England, on package policies; and Edward G. Welchman of Woodstock, state national director, who reviewed activities of NAIA.

FOR MORE THAN A QUARTER CENTURY

REINSURANCE
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FRANK BURNS
INC.

STUART BUILDING • SEATTLE, WASHINGTON

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Hartson, Winkler, Others Testify in New Orleans Case

At the trial of the government's anti-trust case against New Orleans Insurance Exchange, chiefly in connection with its non-intercourse rule, Maurice J. Hartson Jr., a past president, said the exchange was organized in the interest of the public and that it has made no effort to drive non-members out of business or monopolize the business.

He said part timers are excluded from membership on the theory that only a full timer can properly qualify to handle insurance. He said the greatest competition in the insurance business is among members of the exchange, because they engage in the business full time.

He said many agents in Orleans, St. Bernard and Jefferson parishes sell fire and casualty insurance and are not members of the exchange. Some of them represent mutual companies, some stock and mutual, and some stock companies only. Agents outside the exchange have the same brokerage facilities as those who belong to the organization, and many are operating successfully outside the exchange.

Thomas Q. Winkler, president of the exchange, said it is a trade association organized to promote honesty, ethical practices, public good will and educational facilities through community services such as fire and accident prevention. The exchange operates a school and supplies teachers to local universities for the conduct of insurance courses. The effort of qualified agents reduces insurance rates, he said. Under cross-examination, he added that he considered it bad practice for a member to do business with a non-member.

Edward R. Kenney, attorney for the justice department's anti-trust division, submitted 250 exhibits which he claimed showed that the exchange is guilty of unlawful restraint of trade and monopoly in the writing of fire and casualty coverages. C. Adrian Bodet testified that as an agent he had lost substantial commissions after resigning from the exchange in 1945 because of the rule of the exchange that members may not deal with non-members. He said he was forced to resign because he began to represent mutual insurers.

However, Douglas G. Drennan, a vice-president of C. A. Sporl & Co., with which agency Mr. Bodet had been placing business prior to his resignation from the exchange, said that most of this business was already in the Sporl office. The firm was asked by insured to allow Mr. Bodet to place some of the business on a brokerage basis so that he could get the commissions.

Leon A. Irwin Jr. testified that he could not conscientiously represent both stock and mutual companies, that an agent should have confidence in one or the other and should be able to recommend one or the other to his customers. A. L. Schlesinger stated that he was an insurance instructor at Tulane university and that courses sponsored by the exchange are open to anyone who meets the requirements of the university.

A number of witnesses were not called after Mr. Kenney and Murray Cleveland, defense counsel, stipulated that the witnesses which defense counsel had planned to call would have testified substantially as did those who appeared.

Defends Model WC Bill as Best Cure Yet to Existing Ills

James J. Reid, a member of the employees' compensation appeals board of Department of Labor, told the spring meeting of American Society of Insurance Management of New York that the new model workmen's compensation law is the most constructive contribution in many years to cure defects in existing WC laws while preserving state jurisdiction of them. Many views and comments on the model law have been received, and after they have been analyzed and incorporated in the bill, the model law will be submitted to the states for consideration and guidance.

About 150 buyers attended the meeting and heard plans for a series of educational seminars throughout the country, the first of which will be held at University of Connecticut, Storrs, Sept. 26-28.

Mr. Reid said the big WC failure today is not to utilize fully the available medical talents and techniques and other resources for physical, emotional and vocational rehabilitation of disabled employees. WC laws have not kept pace with the expanding economy and the growing industrial community and compensation maximums are limited to unrealistic ceilings and periods in this inflationary time, he added.

He said WC laws (1) should protect the 12 million employees in the country who are currently unprotected under any system; (2) should not limit medical expense benefits to \$450 and disability and death payments to a few thousand dollars; (3) should more fully compensate a totally disabled employee when he has many years to live and no source of income; (4) should help an employee make the best use of his remaining capacity after a disability; (5) should more fully compensate widows and dependents beyond currently unrealistic death compensation benefits; and (6) should more fully compensate employees beyond half their wages during periods when compensation is paid.

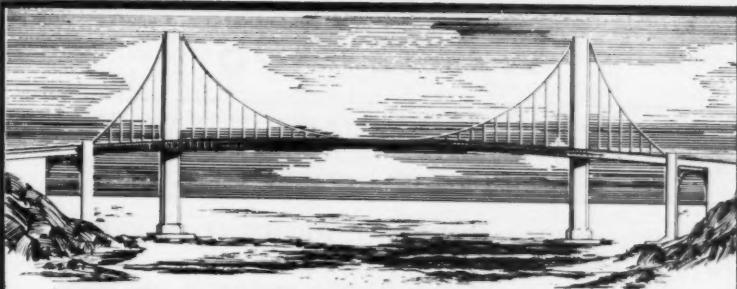
Murray Seated as D.C. Agents' Chief

Joseph L. B. Murray Jr. has been installed as president of District of Columbia Assn. of Insurance Agents succeeding Herbert M. Pasewalk.

Other new officers installed by Superintendent Jordan of Washington, D. C., were Huntington T. Block and Charles R. Barker Jr., vice-presidents; Carl A. Anderson, secretary; H. Theodore Buermann, treasurer; A. L. Jagoe Jr., state national director, and Gerald K. Cassidy, William A. d'Espard, Francis A. Marks, Hubert A. Newsom, Mr. Pasewalk, Walter Schilling, J. Douglas Wallop Jr. and Richard T. Walsh, trustees.

Mr. Pasewalk presented Lowell Seim the outstanding agent award and Howard Eales, Washington, D. C., manager of Standard Accident, the outstanding associate member award.

Frank L. Eriksen Co., independent adjusters of Chicago, have moved to the 8th floor at 215 South Wacker drive.



We Provide Producers Exceptional BREADTH and STRENGTH in the Accident and Sickness Field

through

Lloyd's London, Continental Casualty Co.,
Union Mutual Life Insurance Co.

SUBSTANDARD ACCIDENT & SICKNESS
NON-CAN & GUARANTEED RENEWABLE DISABILITY
NON-CAN & GUARANTEED RENEWABLE FAMILY HOSPITALIZATION
COMMERCIAL DISABILITY & MEDICAL REIMBURSEMENT
SALARY CONTINUANCE PLANS
GROUP TRAVEL ACCIDENT
GROUP DREAD DISEASE
AVIATION & OVERAGE COVERAGE
KEY MAN DISABILITY
NON-APPEARANCE
CATASTROPHE MEDICAL

A Quarter Century Devoted To Serving The Agent and Broker Exclusively

NEWHOUSE and HAWLEY, inc.

135 S. LA SALLE STREET • CHICAGO 3, ILLINOIS • STATE 2-1285 • Teletype CG-1026
70 PINE STREET • NEW YORK 5, N. Y. • BOWLING GREEN 9-0882 • Teletype NY 1-2023

Land More!

Dubuque F & M MULTIPLE LINE FACILITIES Mean More Business . . . More Profit!

Dubuque F & M's multiple line facilities—available most everywhere—mean new prospects, new profits for you. Now, you can sell insurance across the board: Multiple lines open new doors daily. Sale of one policy is the beginning . . . not the end. And, you have the 73-year reputation of Dubuque Fire and Marine Insurance Company behind you . . . all the way. It's a reputation for fairness and reliability, backed by millions in resources. Write for information today, or call your Dubuque representative.

MULTIPLE LINE FACILITIES

DUBUQUE FIRE & MARINE

Insurance Company
Dubuque, Iowa

WANT ADS

Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

ALABAMA—SPECIAL AGENT

The Auto-Owners Insurance Company, an A plus Multiple Line Company, giving agents aggressive assistance, wants to develop Southern Alabama. An opportunity for a competent, experienced man with knowledge of the area. Send full particulars in your first answer to Auto-Owners Insurance Company, Box 660, Lansing, Michigan, Attention Benjamin Hanthorne. An officer of the company will visit Alabama early in June for interviews.

FIRE RATING ANALYST

An attractive position, in the Chicago Home Office of a nationally prominent company, for a man experienced in Fire Rating and Rating Procedures.

The applicant should have had experience in Fire Underwriting, Actuarial work or Fire Rating Procedures. He should be 25 to 30, preferably a college graduate with a mathematical background, and be capable of considerable amount of analytical thinking.

Replies will be held strictly confidential and should include age, education, experience and desired salary. Write Box M-71, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CLAIMS SUPERVISOR—PERSONAL INJURY ASSISTANT CLAIMS SUPERVISOR

PERSONAL INJURY ADJUSTERS CLAIMS EXAMINER (Home Office)

We have immediate openings in our Chicago and Springfield, Illinois offices for men 25-40 who are anxious to become associated with a progressive stock casualty company.

We offer excellent opportunity for advancement with liberal salary, group insurance plan, and other employee benefits.

Write and tell us about yourself; interviews will be arranged on the basis of information contained in your first letter.

LINCOLN CASUALTY CO.
500 E. Capitol Avenue Springfield, Illinois

WANTED

Top Flight Safety Supervisor and first-aid man needed for large dredging project on St. Lawrence Seaway. A real chance to show great results. Group Insurance, profit-sharing and other usual employee benefits. Reply to Box M-55, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIRE INSURANCE MANAGER

Fast growing Mutual Company in Michigan has immediate opening for person qualified to handle entire Fire operations with exception of detail accounting functions. Must have some experience and willing to progress with fast growing company. Write qualifications and salary desired to Box 1065, Lansing, Michigan.

WANTED ADMINISTRATIVE POSITION

Extensive experience, including administrative supervision of fieldmen, production, underwriting and claim adjustment. Heavy fire and inland marine. Prefer Southeast. Presently employed. Age, middle forties. Box M-61, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

RESIDENT INSPECTOR

Group of Insurance Companies with world-wide operations.

Invites applications for the position of Resident Inspector at Puerto Rico. Should be under 40 with sound knowledge of fire, automobile and casualty insurance, and ability to service and develop agency connections. Knowledge of Spanish or willingness to learn the language essential. Work is of an interesting nature with travel in the Caribbean area, and good prospects for future advancement.

Starting salary \$5,500 to \$7,500 depending on age and qualifications. Contributory pension plan. Our own staff is aware of this advertisement.

Box M-68, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

INDIANA FIELDMAN WANTED

If you desire a change, have Multiple Line experience and desire to promote a small Indiana Agency plant, please contact us. We are a progressive Stock Company, member of Hoosierland Rating Bureau and have been in business over 35 years. Best Rating A+. Paid Life Insurance, Accident & Health and Pension program. Salary open. Write or phone:—

FREEPORT INSURANCE COMPANY
Freeport, Illinois Tel. MAIN 900

OPPORTUNITY KNOCKS

Our expansion program requires the services of capable fieldmen in the Mid-Western States. Prefer applicants between 25-38 with multiple line experience. Excellent opportunity for RIGHT MEN with BETTER TYPE COMPANY. Furnish details of experience, education, age and salary requirements in confidence to:

John A. Sanders, V.P.
Merchants Fire Assurance Corporation of N. Y.
Merchants Indemnity Corporation of N. Y.
225 Broadway, New York 7, N. Y.

SPECIAL AGENT—MINNESOTA

NATIONALLY KNOWN LARGE MULTIPLE COMPANY HAS EXCELLENT OPENING FOR AN ADDITIONAL FIELDMAN IN ITS MINNEAPOLIS BRANCH. OUR PEOPLE KNOW OF THIS AD. REPLIES TREATED CONFIDENTIALLY. Address Box M-63, c/o

The National Underwriter Co.
175 W. Jackson Blvd.
Chicago 4, Ill.

OKLAHOMA & ALABAMA GENERAL AGENTS ATTENTION

Fire & Automobile Company recently licensed. Outstanding General Agency contract available. Address Box M-64, c/o

The National Underwriter Co.
175 W. Jackson Blvd.
Chicago 4, Ill.

CASUALTY UNDERWRITER

Excellent opportunity for a young experienced man to affiliate himself with a large Wisconsin agency. Specify age, education, experience, marital status and minimum salary required. Write in confidence. Box M-65, c/o

The National Underwriter Co.
175 W. Jackson Blvd.
Chicago 4, Ill.

EXECUTIVES — ATTENTION

GENERAL AGENT SERVING HALF OF VIRGINIA DESIRES ADDITIONAL FIRE AND CASUALTY COMPANIES. GOOD VOLUME, LOSS UNDER ONE HALF, NATIONAL AVERAGE. Write Box M-66, c/o

The National Underwriter Co.
175 W. Jackson Blvd.
Chicago 4, Ill.

Cal. to Ask Insurers to Maintain Ad Files

LOS ANGELES—As a means of furthering the examination and investigation work of the California department in the enforcement of laws governing false or misleading advertising, a bulletin request will be forthcoming next week from Commissioner McConnell asking for cooperation from companies.

The bulletin will aver that California historically has had an outstanding record of efficient administration in the examination and investigation work enforcing statutes on false and misleading advertising.

The request for cooperation further to systematize this enforcement will ask California companies maintain a complete file in their home offices of all advertising used in California or elsewhere. Similarly the department will request all foreign and alien companies that the same system be complied with but limited to advertising used in California, however, maintaining complete files within the state. The same request will be asked by the department in the event company agents are authorized to advertise in the company name, that such advertising be maintained on file in the company office.

Ambrose with Eagle Fire of Jersey City

Harry G. Ambrose has been elected secretary of Eagle Fire of Jersey City and not Eagle Fire of Norwich Union group as stated in the May 17 issue. Mr. Ambrose formerly was with Guy Carpenter & Co., New York brokerage firm.

2 ALERT CASUALTY MEN

1—To HEAD our ESTABLISHED OFFICE at DALLAS, TEXAS

1—To DEVELOP BUSINESS in the STATE of ALABAMA with HEAD- QUARTERS at BIRMINGHAM

Excellent opportunity for right men. Send full résumé including experience, education and salary requirements, to: Personnel Director

GREAT AMERICAN INDEMNITY CO. 1 Liberty Street New York 5, N. Y.

ADJUSTERS WANTED

Casualty Adjusters wanted for the State of Michigan. Top experience. In reply give background and a recent photo.

MICHIGAN CLAIM SERVICE, INC.
P. O. Box 1380, Lansing, Michigan

CASUALTY ADJUSTER

Excellent opportunity for a man with two to ten years experience. Opening in our Indianapolis, Indiana and Des Moines, Iowa offices as well as other locations. New department, top salary, company car furnished, non-contributory pension plan and Group Insurance benefits.

Write: Western Adjustment & Inspection Co.
Box 1113, Chicago 90, Illinois.
Attention: Mr. Johnson.

AVAILABLE

Claim Manager or Supervisor, age 41, with 16 years experience in Fire, Automobile, Casualty, Inland Marine and Compensation lines. With present employer 10 years in managerial capacity. Reply Box M-69, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Field Position in Cook County or Northern Illinois. Age 28, married. 7 years Underwriting experience, 1 year Sales in medium size agency. Majority of Underwriting experience in Fire. Address Box M-72, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

200 At Los Angeles A&S Sales Congress

LOS ANGELES—More than 200 A&S underwriters attended the annual sales congress of Los Angeles A&S Managers Club here.

John Plumb, vice-president and agency director of Massachusetts Protective, opened the day-long session with a discussion of "what makes the big producer click." He suggested the common denominator was attitude, which includes the producer's attitude toward his job, his product, his company, his market, his selling and his prospecting.

John Lindell, sports director for the 7-Up Youth Foundation, outlined the work of the foundation.

Dr. Frank Hamilton, public relations director of Woodward Laboratories, pointed out that it is hard to sell intangibles and that salesmen, therefore, must paint their word picture so that the prospect sees it in its true perspective.

Cisco Andrade, leading lightweight and a life and A&S agent, compared fighting and his insurance work. He said he prepared for both in a like manner, seeks the objective his prospect seeks and lets the prospect talk until his needs are clarified.

John Langstein general agent for Washington National Life in Arizona, was the closing speaker. He said the life and A&S agent has two tools and should be willing to use both in his selling. He said that life and A&S insurance is the answer to the problem of lack of social security. He maintained that fear of prospecting is a major problem facing the agent and suggested letting policyholders—through their satisfaction with an agent's services—provide other interested prospects.

Robert J. Bujold has joined the Miller agency of Iron Mountain, Mich., as treasurer. He has been an adjuster for American Automobile at Milwaukee.

STOCKS

By H. W. Cornelius Bacon, Whipple & Co.
135 S. La Salle St., Chicago, May 22, 1956

	Bid	Asked
Aetna Casualty	122	125
Aetna Fire	68 1/2	69 1/2
Aetna Life	175	178
Agricultural	34 1/2	35 1/2
American Equitable	38	39
American Auto	22 1/2	23 1/2
American, (N. J.)	27 1/2	28 1/2
American Motorists	13 1/2	14 1/2
American Surety	19 1/2	20 1/2
Boston	35 1/2	36 1/2
Camden Fire	27 1/2	28 1/2
Continental Casualty	102	105
Crum & Forster com.	63 1/2	65
Federal	36 1/2	37 1/2
Fire Association	53	54
Fireman's Fund	60 1/2	61 1/2
Firemen's, (N. J.)	38 1/2	39 1/2
General Reinsurance	46	47
Glens Falls	67	68
Globe & Republic	22 1/2	23 1/2
Great American Fire	38 1/2	39 1/2
Hartford Fire	148	151
Hanover Fire	42 1/2	43 1/2
Home (N. Y.)	45	46
Ins. Co. of No. America	88 1/2	89 1/2
Maryland Casualty	34	35
Mass. Bonding	37 1/2	38 1/2
National Casualty	53	58
National Fire	116	120
National Union	40	41
New Amsterdam Cas.	44 1/2	45 1/2
New Hampshire	41 1/2	43
North River	36	37 1/2
Ohio Casualty	97	100
Phoenix Conn.	72 1/2	74
Prov. Wash.	24	25
St. Paul F. & M.	55 1/2	56 1/2
Security, Conn.	46 1/2	48
Springfield F. & M.	52	53 1/2
Standard Accident	47	48
Travelers	74 1/2	75 1/2
U.S.F.&G.	58 1/2	59 1/2
U. S. Fire	24 1/2	25 1/2

Eye Insurance Problems of Atomic Plants

(CONTINUED FROM PAGE 1)

type of reactor, nature and extent of its containment, meteorological and hydrological conditions prevailing in the area, etc.

Liability rates are subject to regulation by state supervisory officials, he noted. To act in concert on rates, insurers must act through licensed rating organizations. This can, he suggested, be done by stock companies through National Bureau of Casualty Underwriters. Work is in progress to expedite the functioning of the rating organization.

In response to questioning, Mr. Haugh said he did not bring the rates with him.

Sen. Anderson suggested that if in the future there were a number of reactors of similar type, etc., the syndicate could set up rates on an actuarial basis. Some of the 110 companies in the syndicate are members of rating organizations, others are not, Mr. Haugh said.

When Rep. Cole asked about possible application of the antitrust laws, Mr. Haugh answered: "We have been working on that matter." Mr. Haugh expressed the hope that the need for the syndicate will ultimately pass.

During discussion of possible catastrophic losses, Sen. Anderson said the rate on a house contemplates a fire "every 400 years." He expressed concern lest rates may get so high that nobody can carry atomic insurance.

The syndicate's policy phraseology has not been framed, Mr. Haugh said. He expects that when the policy is written "maybe a couple years" would be allowed as a "reasonable time" to file claims. He referred to this as the "discovery period." When committee men suggested a longer period, Mr. Haugh said 10 years would be too long. The possibility was suggested of claim for radiation injury "to the fifth or sixth generation."

Sen. Anderson asked if the syndicate could not quote reasonable rates in a reasonable time to Ray L. Schacht, general manager of Consumers Public Power District, Columbus, Neb., on turbogenerators for an atomic plant. Mr. Schacht had told the committee his organization was unable to get rates.

Mr. Haugh stated that a committee of National Assn. of Insurance Commissioners is to consider reactor insurance. He said insurers "are extremely interested" in getting atomic business.

Government reinsurance of atomic risks is "not feasible or practicable," he insisted. "We don't object to indemnification," said Mr. Haugh, "but we do object to reinsurance and having to look to government for reimbursement. When you get \$100 million or \$500 million you are out of the

field of insurance. It will have to be in the nature of a contribution."

Mr. Schacht said his organization had been quoted only \$1 million of cover with \$50,000 deductible, which was not sufficient. It has had no indication when the insurance business will be able to cover its plant.

He added that protection should not be limited to public liability and should extend for 15 years. He does not consider the limitation of liability a good approach. The level of insurance should vary with the kind of power plant, he said.

After expressing the opinion that lawyers can, with confidence, rely on established doctrine which has always governed tort liability, Ralph E. Becker, Washington attorney and secretary of Federation of Insurance Counsel, proposed an open-end indemnity program. The government would contract with each licensee agreeing to indemnify him for any judgment he would have to pay to members of the public above the amount of his insurance. Each licensee would agree to take private insurance in the maximum sum available to him for his particular facility. In the event of a major reactor disaster, injured members of the public would file suit in the usual manner against the operator, suppliers or designers. The burden would be on these defendants to bring the government in by way of third party practice.

Once the atomic enterprise becomes a going concern there will no longer be any need for encouragement and the indemnity program may become surplausage. There must, therefore, be a time limitation on the program. Amount also should be limited, he recommended. Each injured party would be limited to recovering against the government whatever part of the judgment awarded him by a jury, not paid by the private defendant, up to a maximum of \$25,000, personal or property injury.

As to experimental reactors and general research in nuclear energy performed by universities and other non-profit research organizations, the government should assume third party liability entirely, since these organizations probably will be unable to secure private insurance because of the high premiums and certainly cannot act as self-insurers.

H. C. Jones, president of Arkwright Mutual Fire, Factory Mutual representative on the joint insurance advisory committee to Atomic Energy Commission and Ambrose B. Kelly, general counsel of Factory Mutuals, appeared for that group. Mr. Kelly said that as private insurance companies, Factory Mutuals cannot contemplate a government indemnity program in the atomic energy field without some regret. However, in this case there is no alternative.

But Mr. Kelly recommended that government indemnity be applicable to both government and private atomic installations, with privately-owned installations obliged to provide liability insurance in an amount established by the AEC as adequate for all available from private insurers. On private installation with private insurance, the government indemnity should apply only after private insurance has been exhausted. Handling of claims should be by private insurers on the particular risk, thus avoiding

the necessity of the government establishing a claim organization of its own. The indemnity program should be applicable to all property, except the reactor itself and associated equipment.

AEC Chairman Lewis Strauss said a number of atomic power projects have reached the point where very substantial commitments must be made soon if they are to proceed on schedule. AEC urged that legislation be enacted at this session of Congress to provide protection.

Harold L. Price, director of civilian application of AEC, said AEC recommends adoption of legislation authorizing AEC for 10 years to issue indemnity agreements directly to holders of construction permits and licensees and their suppliers or in the alternative to issue reinsurance agreements to the insurance companies; that protection offered by indemnity or reinsurance agreements apply only to losses in excess of amounts of liability insurance determined by AEC to be available commercially; that the legislation not place a top limit on the amount of the indemnity or reinsurance, but leave the amount in each case to be determined by that amount licensee is willing to buy, and that the charge for the protection be based on a schedule of non-discriminatory relationship to the premiums charged by insurers for primary non-governmental insurance.

Sen. Anderson suggested that insurers could help AEC with their experience in determining protection charges. Mr. Price replied that AEC expects to utilize the advice and services of insurers, brokers and agents to the extent practicable.

H. R. Searing, Consolidated Edison of New York, stated his company would proceed with its reactor construction program "even if an immediate solution of the insurance problem is not forthcoming." However, most of the atomic industry representatives indicated that a government indemnity program on top of what private insurance is available before they can go ahead.

AEC Approves Two More Insurers for Data

Atomic energy commission has issued permits to American Mutual Re and Royal Indemnity entitling them to the business use of restricted data. The permit does not apply to information classified as confidential or secret.

Sanford Succeeds Ellis as Tex. Agents' President

(CONTINUED FROM PAGE 4) portrays risks that the average agent may overlook.

It was followed by a panel presentation on package policies by members of San Antonio CPCU chapter and moderated by W. Evans Fitch. The casualty package approach was presented by Charles F. Nichols, who pointed out that the varied features of casualty coverages make it difficult to use a "package approach" but that it can be done through the use of endorsements. Everett C. DeWolfe of Home presented the marine approach and Robert G. Bezucha of Hartford Fire handled the fire approach.

Pre-convention sessions included a board meeting and a conference for local association officers, sponsored by the Corpus Christi association.

Bert W. Roscoe of Corpus Christi explained the reason for the change from Corpus Christi Insurance Exchange to Corpus Christi Assn. of Insurance Agents was that members feel that the new name is more descriptive of the character and purposes of the organization. He then outlined procedures for changes in local constitutions and by-laws and emphasized the importance of incorporation for local boards as a protection for liability of members and as an aid in tax problems.

Mark Wentz, fire commissioner, outlined the general qualifications for agent licensing and H. B. Mathews, fire and casualty licensing director, described technical requirements for licensing under the grandfather clause and through examinations.

William J. Harding, public relations director of Texas Insurance Advisory Assn., outlined public relations program for local agents. He said the agent will be in a good position to give the public a proper picture of insurance when it becomes a part of this year's political campaigns in Texas.

Local board executive secretaries Jack Curtis of Dallas, John W. Daniel of Houston and F. F. Ludolph of San Antonio reviewed problems faced on a local board level, which included direct writer competition, mortgage loan insurance coercion, rebating, auto dealers licensed as agents and public relations. Each secretary outlined specific cases and how they were solved on local levels.



Discussing the opening of American Management Assn.'s spring insurance conference in New York City are, from the left, John A. Fuller, Shawinigan Water & Power, Montreal; Russell B. Gallagher, Philco Corp.; Seth Faison, AMA division manager, and Charles E. Toseh, Johnson & Higgins at New York. More than 1,000 corporate insurance buyers attended the conference.

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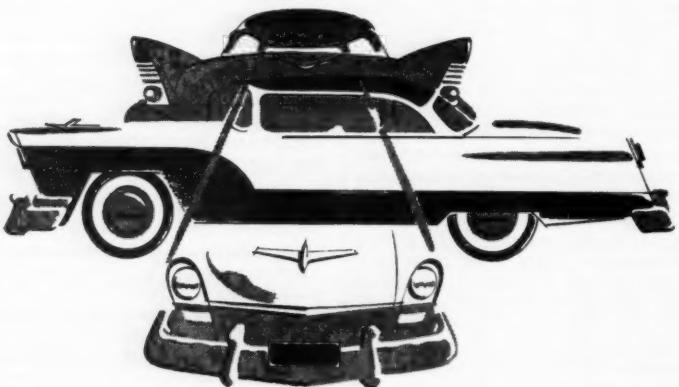
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taxation. "It is primarily a case of additional funds in every state to adequately regulate the business." states rights vs a paternalistic federal government," he said. "We must have Federal encroachment was also criti-

cized by Commissioner Hunt and Assistant Commissioner Hodges, whose speeches are reported elsewhere in this issue.

Harlan S. Pinkerton, chairman of the legislative committee, urged agents to support passage of the proposed code and a bill which would provide additional appropriations for the insurance department. He announced that the committee planned a program of statewide meetings with legislative candidates on insurance matters and urged association support. Association members responded by adopting a resolution commanding members of the legislative council code committee. Other resolutions called for adoption of an uninsured motorist coverage to combat

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tion in the auto insurance field. So, it's your move; particularly if the spread is widening between the number of them you've sold—and those you should have sold.

Why not find out how our auto insurance facilities can be used to meet some of the competition you face for preferred classes. We write a full-standard coverage policy backed by a grade of service that you'd expect from a topflight agency mutual company operating nationwide.



New officers of Oklahoma Assn. of Insurance Agents: Standing, James J. Quinn, Bartlesville, president; Harlan S. Pinkerton (left), Tulsa, vice-president, and Stanley D. Whitehurst, Oklahoma City, secretary-treasurer.

the threat of compulsory automobile liability insurance, urged Western Underwriters Assn. to join Assn. of Casualty & Surety Companies in financing Oklahoma Insurance Information Service and commended the host Tulsa board.

Dave R. McKown of Oklahoma City, state national director and NAIA executive committee member, reviewed the benefits of belonging to the state and national associations. He pointed out the advantages of the national association's opposition to pseudo-group plans offered by direct writers, free insurance by auto manufacturers, misclassification of insured by auto dealers and finance insurers, self-insurance by the federal housing authority, licensing of home-office employees as solicitors, continuous policies and direct billing. On the affirmative side, Mr. McKown listed the achievements of the national association's program for education, the work of technical committees in improving coverages, the progress of the public relations and advertising program and urging companies to adopt the uninsured motorist endorsement as an alternative to compulsory automobile insurance.

George W. Jordan, assistant general manager of General Adjustment Bureau's southwestern department, outlined what GAB has done to meet the challenge of catastrophes. He described

Mezey, Weghorn Head NAIA Convention Unit

Albert E. Mezey, immediate past president of New York City Insurance Agents Assn., has been named chairman of the convention committee for the annual meeting of National Assn. of Insurance Agents scheduled for the Waldorf-Astoria hotel, New York City, Sept. 17-19. John C. Weghorn, chairman of the executive committee of Insurance Federation of New York and a past president of the New York City association, will be vice-chairman. Also on the committee are William A. Waters, president, and Harry F. Legg, executive secretary of the New York City association.

Mr. Mezey is a director of the New York City association, Insurance Federation of New York, New York state association and New York board.

Sammy Kaye and his orchestra are scheduled to play at the presidential ball Sept. 18. Radio and TV personalities who will appear with him include Jeffrey Clay, the Kaydets and the Kaye choir. The radio and TV feature "So You Want to Lead a Band" will also be on the program.

Fireman's Fund Names Steinhauer on West Coast

Stuart Steinhauer has been named personnel director in the Pacific department of Fireman's Fund and Gordon Arter, who has held the position since 1949, will become assistant general adjuster in the Pacific department fire claims unit. Mr. Steinhauer has been with Chrysler Corp. in San Leandro since 1948, where his most recent assignment was labor relations supervisor.

Leslie L. Taylor has been appointed fidelity, surety and burglary special agent at San Francisco and will assist in the production and field underwriting of these lines.

its program of training for adjusters, storm supervisors and clerical help, and pointed out that they all know what to do when catastrophe strikes in their area. He said agents can help in catastrophe loss work by making up loss reports accurately, sending them to the company to speed payment of claims, not insisting on having claims adjusted during the first two or three days after a storm strikes, remaining calm and cooperating with adjusters. He pointed out that once catastrophe strikes, almost the entire burden of public relations for the insurance industry falls on the shoulders of the local agents and the adjusters.

The rural agents breakfast featured an explanation of the special farm survey and rating plan, which has recently been approved in Oklahoma.

Other educational sessions included a discussion of the comprehensive dwelling policy by Sam H. Stewart of the American Agency Co. of Tulsa; an outline for success by Josh Lee, former U.S. senator from Oklahoma, and a review of unusual claims by George Malcolm-Smith, assistant advertising managers of Travelers.

Lloyd F. Palmer, manager of Oklahoma Insurance Information Service, moderated a panel composed of daily newspapermen, who discussed news and advertising of insurance.

Social highlights of the convention included a luncheon and fashion show for the ladies sponsored by Tulsa Insurance Board and Sabena Belgian World Airways; a social hour with Oklahoma's domestic companies acting as hosts, the annual convention banquet and a dance.

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How Business Can Improve Merchandising

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available.

The competition is intramural, he said. Many companies compete with each other by a series of independent filings with a changed paragraph or two. No new business is created. Total premiums are slightly redistributed this week and again next week. Many agents devote most of their time to taking business away from each other. This is legitimate, but really represents a reshuffling of premiums. How powerful would the total energy of all such activities be if channeled into finding new business?

He suggested that agents and agency companies by working together can develop an integrated selling effort. Perhaps this could be done by appointing a joint company-agent committee, selecting a test market of a group of homogeneous counties or even a single state, and having research personnel and trade associations gather, coordinate, and interpret all pertinent and significant marketing data. Then, working with marketing statistics, the committee would determine specific objectives and develop a detailed approach for reaching objectives which might include newspaper advertising, direct mail, radio or TV. Broad objectives for the test market would be translated into individual goals so that each participating agent would know his individual responsibilities. The results during the special effort would be carefully tabulated so the success or failure of the plan could be promptly measured.

What better project could there be for the New York association than to test such a plan in a single county in that state? he wondered. One successful campaign could help spark a crusade that could splash across the country, he declared.

Mr. White called attention to the fact that the automobile has done much to change the habits of the country. Many people live in suburbs, own their homes that are government insured, are paid far beyond the wildest dreams of their forebears, and jump into the car to go two blocks to four miles to a shopping strip for a wide variety of needs. Many new thoroughfares lead away from the center from cities to new housing developments.

Buying has been made easy for the purchaser, he said. The appetites of modern man have been increased by looking at pictures of tangibles on the easily purchased TV set, and the TV merchant is one of those at the shopping center a five minute drive away.

But Mr. White wondered if the agent has made it easy for the potential buyer and himself to get together. He thinks that meeting has to be made easier. Some agents have taken steps to keep pace with the trend, but the large majority have not done so. As a client, the owner of a new suburban home can mean \$1,000 in premiums to an agent in five years through a homeowners policy, auto coverage and a couple of miscellaneous contracts.

But how can the agent and this buyer get together if the agent's office is in a midtown location with tenant parking only, meter parking or no parking at all? He said in his town there are meter maids, girls in uniform whose job it is to tag cars parked at red flag meters. Is this an invitation to an insurance buyer to go to a midtown office? Buyers don't go to midtown locations for other things today.

If the agent insists upon maintaining this kind of location, he has to arrange to get to his potential buyer,

Mr. White said. If he is a one man and two girl office, he simply isn't going to find time to do so. He hasn't been doing it, and consequently the potential \$200 premium per year prospect has made some other arrangements. These arrangements are not as good as the local agent could have made, but they were arrangements easier for the buyer to obtain.

The public generally is convinced of the need for insurance, but he buys these necessities where it is most convenient. He will buy a better quality if the difference is shown to him. Mr. White said he does not believe a rate reduction will turn business into an agent's office. The competition gets its business much more because it met the customer virtually face to face, and the local agent did not. Possibly the agent can as well afford to find office space in a location more easily accessible by automobile and more prominent to the eye—a place where the potential customer is bound to be at least once a week.

He said one difficulty is that the agent is a general insurance man, thoroughly versed in all lines and able to service them all properly. The direct writer competition does not attempt to do this. Professional men such as lawyers and doctors, and business men, consolidate in order to offer better all around service. Each agent has his own favorite line.

Agents could well afford to invest in a personable young man or two for the ultimate good of the agency. He wondered if the agents are too stingy to do this, too old to take a chance, or convinced that no one can do the job right but themselves. It is said the agency business doesn't hold enough financial promise for the future to attract young men, but he wonders. What better security would a fellow want than to own a fat expiration file? Many agents have faced up to the fact that their offices need to be revitalized. Today a new agent, not chained to his desk by telephone and details, can rapidly build a fine annuity for himself in homeowners policies alone, and now here comes the mercantile block contract with additional opportunities.

In latter years the companies have been picking up graduates of college insurance courses. But competition for advancement in company ranks is far keener than in agency ranks, he said. What's to prevent the companies from operating a placement bureau through which newly graduated men might find a spot with a good agency? It is high time that the story of a career in the agency end of a great business is glamorized.

Mr. White is convinced that the agency cannot stand still while the rest of the world streamlines and adapts itself to the changing times of the automobile. The local independent agents did pretty well when the agent was one in 100 who owned a car. In those days, the agent went to the customers. Today the customer is driving by.

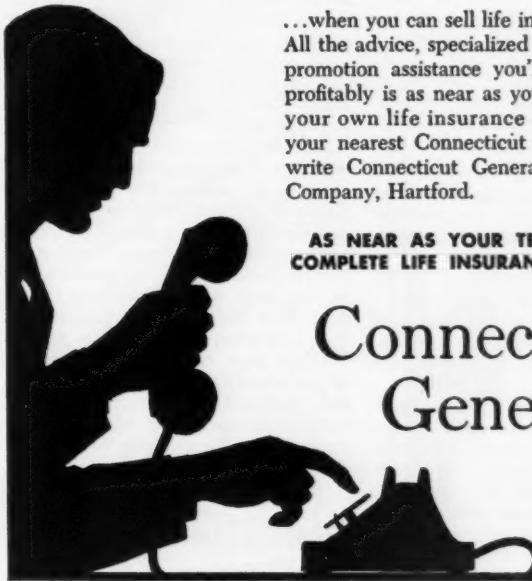
In meeting direct writer competition, Mr. Schwab suggested some immediate positive approaches, such as research into product and market; analysis of the existing rating procedures and all of the other factors that enter into the business. This research should be undertaken with the organized agents as full partners so that they may check and evaluate the program as it progresses. A vastly improved and extended public relations

program would help, he said. Agents' PR approach is improving, but there is still much to be done.

But perhaps the most effective positive approach to the direct writer problem would be hard work and better agents. The agents must get out

and pound the pavements, ring the doorbells and see the people. He noted that qualified, working agents are not complaining about the direct writer problem; they are continuing to do an excellent job and to increase steadily their volume of automobile business.

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1,800 Attend IASA Annual, Wilcox Is Elected President

NEW YORK—Rodney B. Wilcox of Connecticut General Life was elected president of Insurance Accounting & Statistical Assn. at its annual meeting here. He succeeds James B. Clancy, secretary of Royal-Liverpool group. More than 1,800 persons attended the convention.

Vice-presidents elected are William Babcock Jr. of Keystone Auto Club Casualty; Mathew Rodermund of Interboro Mutual Indemnity; Charles Andrew of Jefferson Standard Life; Ernest E. McAndless of United Benefit Life; Lielyn M. Cox of Employers Mutual Liability, and John D. Hicks of Fidelity Mutual Life.

New directors are A. F. Sanders of Reliable Life, life insurance; R. D. Clancy of Liberty Mutual, fire insurance; John Marakas of Reserve Life, A&S; and L. S. Rinehart of Nation-wide Mutual, casualty.

The new president, who is in the comptroller's office at Connecticut General, is a member of the Connecticut legislature.

Gov. Clement of Tennessee in his keynote address urged states and the business to do everything possible to ward off encroachment of federal trade commission into the regulation of insurance.

Five sectional conferences were held concurrently throughout the meeting, covering life insurance, electronics, A&S, fire, casualty and group. Fraternal and industrial insurance were covered in special conferences.

The impact of electronic data processing machines on insurance was emphasized by 17 forums on the subject. Many manufacturers of electronic data processing machines had exhibits at the convention. Other exhibitors included manufacturers of addressing, printing, typewriting and other office machines.

FCIC Sees Need of Wider Risk Spread

Experience of Federal Crop Insurance Corp. has made it increasingly clear that sound operations require a wider spreading of risk between crops and areas, FCIC stated in its report to Congress on 1955 business.

Much of the effort of FCIC in the years immediately ahead must be directed toward expanding business volume in other crops and areas to offset the heavy liability that currently exists in wheat in a comparatively few areas, the report states.

For FCIC to become a true insurance operation it must eventually reach the point where it is self-sustaining, the report states. However, there is much to be perfected and refined in the all-risk insurance operation before it can be expected to move very rapidly toward this goal. FCIC is operating with the practical guidance of only very limited insurance experience in the all-risk field.

From 1948 to 1955 losses paid totaled \$162,488,000, and earned premiums were \$150,846,000. Reserves must be built in the favorable years to cover heavy loss years, the report states. More business is needed to offset the degree to which wheat dominates the annual experience. With corn, an increased volume of business and a better balance through spreading the

business more evenly over the corn area will bring the program to a point in which indemnities do not exceed premiums, FCIC believes. The loss ratio on cotton in 1955 was .95, and the big part of the loss was in Nueces county, Tex.

Tobacco had a loss ratio of .43, with Hurricane Diane accounting for much of the \$1,163,000 claims paid. Flax continued its record of operating each year with premiums sufficient to cover losses. No disasters hit the small dry edible bean and citrus programs, and experience was good. However, reserves are needed for catastrophe years in citrus growing regions.

Operating experience revealed numerous flaws in multiple crop insurance as originally conceived, the report states. A serious underwriting error was made in the amount of credit allowed for diversification in some areas so that indemnities exceeded premium income by a wide margin. Now FCIC is moving in a new direction with multiple crop insurance and is not setting up any additional programs under the former combined crop plan of protection.

A limited experiment is being made with permitting farmers to select the crops to be insured. The minimum premium of \$20 is to encourage farmers to insure all crops, to assure a minimum premium on each contract and to avoid insuring very small acreages planted to one crop. Indications are that this may offer the most practical approach that has been developed in gradually building good business volume in some of the steadier producing areas of the corn belt where farmers have become complacent because of high corn yields. needed spreading of risk between crops and areas, the report concluded.

Gloriot Heads Auto for Phoenix, Eng.

Phoenix of London group has appointed Marcel Gloriot superintendent of the automobile department to succeed B. E. Farley, who has retired.

Mr. Gloriot joined the group as a senior underwriter in 1947. Before that he was with National Bureau of Casualty Underwriters as assistant manager of the automobile department. He joined the bureau in 1934 in the engineering department.

June 13-15 Seminar for Massachusetts Agents

At Massachusetts Assn. of Insurance Agents' seminar June 13-15 at University of Massachusetts, Amherst, Clifford E. Dunn of Fitchburg will deal with office production and counter sales, and Oliver L. Colburn, assistant division manager of Boston Stamping Office, with fire rating engineering and stamping office procedures.

Abraham Brooks of North Easton will deal with problems created when insured dies, and Dr. John D. Long, professor of insurance at Indiana university, with agency continuation. Robert B. Lawless, agency superintendent of Phoenix of Hartford, will speak on collection problems, and William N. Woodland, editor of the *Standard*, will moderate a panel on package policies. Panel members will be Harvey C. Abbott, special agent of Hartford Fire; Stanley A. Gibson, Boston manager of Phoenix of Hartford, and Francis X. O'Leary, marine state agent of Employers' group.

Philip C. Boddy, assistant manager of Massachusetts Workmen's Compensation and Vernon T. Meader, marine manager of Fireman's Fund at Boston, will talk on commercial block policies.

Mid-West Buyers Change Name, Begin Summer Recess

At its May meeting, the last of the season, Mid-West Insurance Buyers Assn. voted to change its name to Chicago Chapter of American Society of Insurance Management and also approved a dues increase from \$35 to \$50 a year.

Speaker for the meeting was Charles D. Sokol, Cook county manager for Aetna Fire, who described two fire insurance accounts, not too dissimilar, yet entirely different from an underwriting standpoint. The difference in underwriting desirability for the two accounts, Mr. Sokol explained, was based on the care and maintenance of the property.

The more desirable account, Mr. Sokol said, had excellently maintained property and the variety of different kinds of hazards were reported well handled and under satisfactory arrangements. The housekeeping was good, sprinklers covered the important values and were backed by a powerful water supply. Transformers were in cut-off fire proof vaults. Other good features included good fire department facilities, a private fire brigade, well distributed chemicals and water tanks and full ADT supervisory service.

"Reading a report of this character," Mr. Sokol said, "certainly an underwriter can, with good conscience, expose his company to pretty close to its maximum lines for the particular classification of business."

As for the second account, the file indicates the building, although of similar construction as to the first one, was kept in only fairly good condition, hazards were reported as full, smoking was somewhat more pronounced. There was open storage of drummed inflammables in the painting area. Fire doors were found blocked, sprinkler heads were old, some were painted or dirty, and they were all of an obsolete type.

"Several details associated with the account," Mr. Sokol said, "are just of such a nature that, while they cannot be severely criticized, certainly cause an underwriter reviewing the business to feel that he should shade his line considerably because of the various arrangements where something could start."

Mr. Sokol pointed out that fire underwriters are very favorably impressed when an account, after being informed as to unfavorable conditions, makes an effort to see that improvements are made to eliminate such conditions. He explained that the cooperation of the corporate insurance manager is eagerly sought in sparking the move toward eliminating bad risk conditions.

"Certainly it seems to us as fire underwriters," Mr. Sokol said, "that part of an insurance or risk manager's program is to be completely conversant with not only the insurable values of the properties trusted to his care but also with the hazards which may cause severe damage. To do such a job properly, of course, he needs the complete cooperation of management. Any contemplated major changes in building construction or operation should be brought to his attention. He should have the authority to control at least minor occupational hazards and, certainly, be in consultation with larger ones."

The May meeting concluded the

1955-56 season for the buyers who will not meet again until mid-September. Each member was urged to line up two prospective members during the summer. Members also have been asked to fill out a questionnaire, indicating the topics they want discussed during the 1956-57 season.

Outlines Problems of Illinois Industrial Commission in WC

Some of the problems faced by Illinois industrial commission in handling compensation cases were outlined by Commissioner David W. Johnston at the May meeting of Casualty Adjusters Assn. of Chicago.

"The commission is understaffed and its appropriation inadequate to handle the volume of litigation and cases which comes before it each year," he said. Mr. Johnston pointed out that there were five commissioners in 1914 to handle some 5,000 cases a year and there are still only five commissioners despite the fact that the number of cases handled each year has increased to some 54,000.

He asked the association to support legislation which would authorize an increased staff and larger appropriations.

Mr. Johnston criticized the preparation of cases and contracts submitted to the commission by some companies and said they often appear to be prepared by secretaries. He said cases which are not prepared properly require additional time for checking and correction.

He said the practice of lump sum settlements has become the rule rather than the exception it was intended to be and, in his opinion, defeats the purpose of compensation. He said it is used by many insurance companies to eliminate future claims and petitions and to close the case permanently. He said that despite some of the advantages to claimants and companies, he still advocated use of the lump sum settlement only in exceptional cases.

The association approved the membership of Preferred Risk Mutual of Des Moines, which was represented at the meeting by Grover C. Weeks Jr., Chicago claim manager.

The annual golf outing will be held at St. Andrews golf club, June 13.

N. H. Group Appoints Casualty Man in South

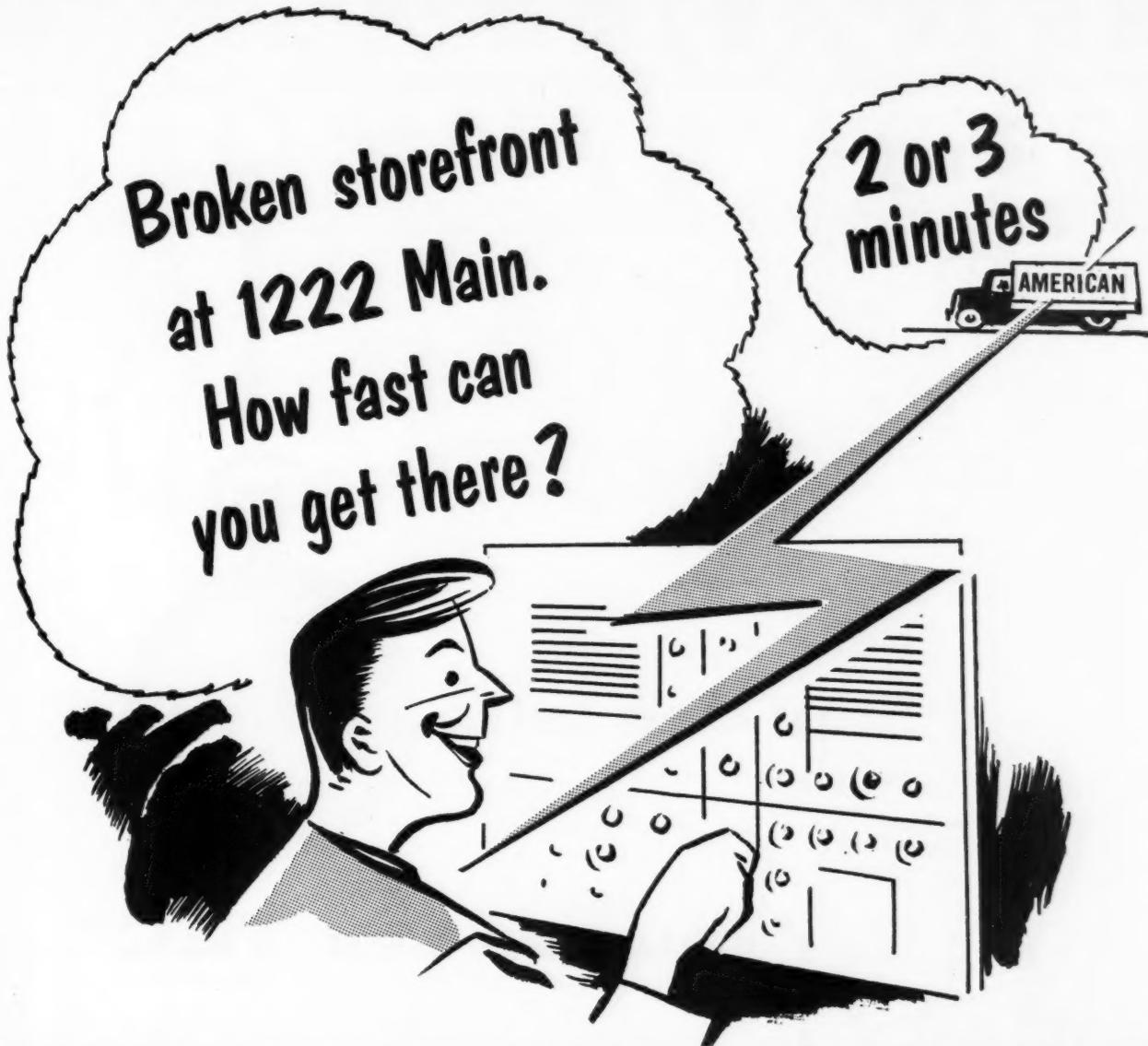
New Hampshire group has appointed Donald E. Polson casualty manager of the southern department at Jacksonville, Fla., and has named Donald W. Haskell to succeed him as special agent of American Fidelity at Manchester, N. H. Mr. Haskell has been special agent of American Fidelity in western Massachusetts.

The Citadel Holds I-Day

Four insurance executives addressed students of the Citadel in Charleston, S. C., during an insurance day program at the school. The speakers were M. D. Randall of Corporate Insurers Service of Charlotte, N. C., Richard Singleton of South Carolina Inspection & Rating Bureau at Columbia, J. Edwin Schachte Jr., of Charleston, president of South Carolina Assn. of Insurance Agents, and Robert A. Beck of Prudential at Jacksonville, Fla.

GAB Promotes Bradley

General Adjustment Bureau has promoted C. R. Bradley to senior adjuster, casualty division, at Houston. He has been with GAB for six years.



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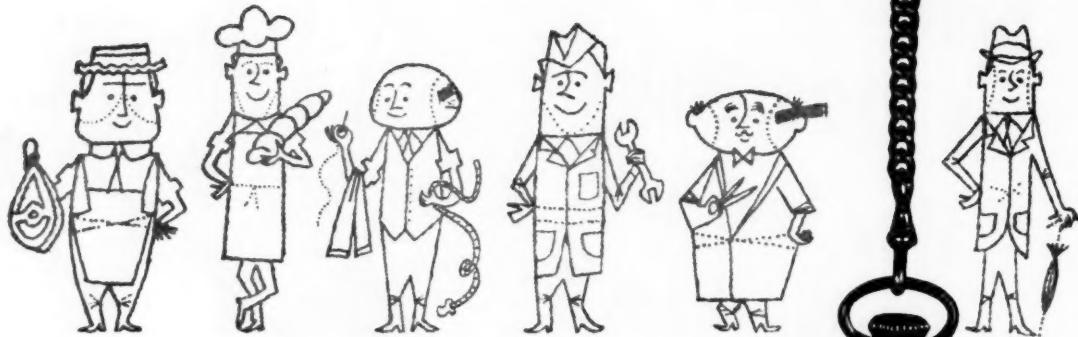
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